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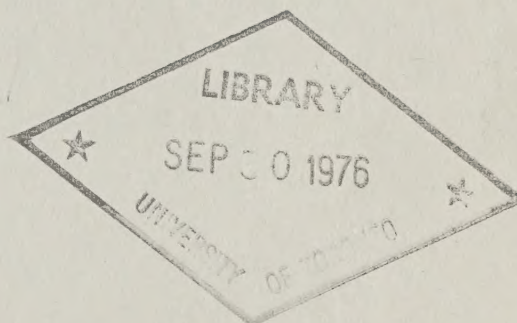
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REPORT OF THE TRI-LEVEL TASK FORCE ON PUBLIC FINANCE

VOLUME II



SPECIAL STUDIES

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REPORT OF THE TRI-LEVEL TASK FORCE ON PUBLIC FINANCE

VOLUME II

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TRI-LEVEL TASK FORCE ON PUBLIC FINANCE

SPECIAL STUDIES

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Trend Analysis of
Government Revenues, Expenditures
and Intergovernmental Transfer Payments

TREND ANALYSIS OF
GOVERNMENT REVENUES, EXPENDITURES
AND INTERGOVERNMENTAL TRANSFER PAYMENTS

This study was prepared for the Tri-Level Task Force on Public Finance by John C. Strick.

Technical assistance in the preparation of the study was provided by members of the Task Force but it should not necessarily be regarded as representing a consensus view of the Task Force members or of the governments they serve.

TREND ANALYSIS OF GOVERNMENT REVENUES, EXPENDITURES,
AND INTERGOVERNMENTAL TRANSFER PAYMENTS

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TREND ANALYSIS OF GOVERNMENT REVENUES, EXPENDITURES,
AND INTERGOVERNMENTAL TRANSFER PAYMENTS

Objective and Scope of Study

The objective of this study is to examine the relative financial position of and fiscal relationships between federal, provincial, and local governments, based on a trend analysis of government revenues, expenditures and intergovernmental transfer payments. More specifically, the study examines the growth, composition, and relationship of government revenues and expenditures by level of government, changes in the importance of various revenue sources over time, the share of revenues and expenditures between levels of government and the growth and importance of inter-governmental transfers, including both specific purpose (conditional) transfers and general purpose (unconditional) transfers. It is primarily a statistical study, supplemented to a degree with descriptive information.

The scope of the study is basically limited to the three levels of government with only a degree of disaggregation by province. For the most part, therefore, the analysis of the trends at the provincial and local levels is generalized although it is recognized that in certain instances the trends within a particular province may deviate from the general pattern.¹

¹ Interprovincial comparisons of provincial and local revenues and expenditures are not attempted in this study as these are affected by a variety of factors. See Tri-Level Task Force on Public Finance, Interim Report, Volume I, Introduction.

Analysis of Trends

1. The Data

The study employs two sets of statistics on government financial transactions designed and compiled by Statistics Canada. The two sets of statistics are the government sector of the national accounts and the financial management series.¹ The data in this study which are based on the financial management series, however, may differ slightly from data published by Statistics Canada to the extent that they have been examined and altered by the Tri-Level Task Force.

The two sets of statistics are based on different concepts and are therefore not comparable. They can both, however, be usefully employed in a study of trends. The government sector of the national accounts is considerably less detailed than the financial management statistics and, for example, does not classify government expenditures by function or distinguish between general and specific purpose transfers. It has the advantage, however, of offering a longer period of comparable data for analyzing trends and changes therein. The system of financial management statistics has recently been modified and data are comparable only from the 1969/70 fiscal year, which is a relatively short period for trend analysis. But these statistics do provide detailed information

¹ The two sets of statistics are technically: (1) the government sector of the system of national accounts; and (2) the system of government financial statistics. For an explanation of the main differences between the two sets of statistics, see Appendix A. P79

for the analysis of the financial position of, and fiscal relationships between levels of government in recent years, and generally substantiate and supplement the trends as shown in the national accounts.

The analysis in this study focuses on trends of the surplus or deficit position of the different levels of government, the growth and composition of revenues and expenditures, the shares of revenue and expenditure among the three levels of government and the growth and direction of intergovernmental transfer payments.

2. Surplus or Deficit Position

Table 1 shows the surplus or deficit position of the federal, provincial, and local governments from 1950-1974 on a national accounts basis. It must be emphasized that, due to the accounting method employed, the budget surplus or deficit position on the national accounts basis may differ significantly from the position of the administrative, consolidated cash or other budgets (or accounting methods) that may be used by governments. For instance, the government sector of the national accounts does not incorporate all government financial transactions (i.e., lending programs are excluded) and therefore the budget position on the national accounts basis does not measure the cash requirements of each level of government or their overall financial position.¹

Another aspect of government finance should also be taken into consideration in viewing these surpluses and deficits. At the federal and provincial level the budget balance may reflect the governments' fiscal policy in which governments attempt to influence economic conditions by budgeting for a surplus or a deficit.²

¹ See Appendix A and also Introduction to the Database, Volume I for further explanation of accounting methods and budget position.

² Governments may attempt to stimulate the economy in time of recession by budgeting for a deficit, or restrain the economy in a period of inflationary pressure by budgeting for a surplus. As economic conditions change and governments respond with appropriate changes in revenue and expenditure policies, there may be considerable swings from a budget deficit to a surplus or vice versa. The automatic stabilizers which are built into budgets also tend to work, along with discretionary policy changes, to produce surpluses or deficits. For example, a planned balanced budget for the coming year could show instead a deficit at the end of the year if the economy does not grow as anticipated, automatically producing lower revenues and higher expenditures than planned. Since 1971 the Province of Ontario has employed the full-employment budget surplus concept in its application and analysis of fiscal policy to separate automatic and discretionary budgetary changes.

Nevertheless the national accounts system does provide uniform treatment of revenues and expenditures of the three levels of government and provides one picture of their budget positions for the 1950-1974 period.¹ During this period both the federal and provincial governments incurred surpluses and deficits, with deficits incurred primarily during the late 1950's and early 1960's (a period of national economic recession) and the early 1970's. Local governments have incurred deficits in every single year during the twenty-five year period, and the trend shows that the local government deficits have been increasing. Over the period the federal budget net position was an average annual surplus of \$109 million, the provincial budget net position was an average annual deficit of \$77 million and the local government's position was an average annual deficit of \$305 million.²

¹ More detailed statistics on the surplus or deficit position are contained in Appendix B, Tables B-1 to B-6. These include the position of hospitals, and the Canada Pension Plan and the Quebec Pension Plan. It is observed that the pension plans have incurred very large surpluses since their introduction.

The financial management statistics show the governments' budget position (gross general revenue minus gross general expenditure) for the years 1969/70 - 1974/75 as follows:

<u>Year</u>	<u>Federal</u> ^a (\$ million)	<u>Provincial</u>	<u>Local</u>
1969/70	1962	324	-446
1970/71	905	-21	-361
1971/72	331	-771	-495
1972/73	498	-310	-531
1973/74	825	236	-281
1974/75	905	2	-758

(^a Revenues include Canada Pension Plan levies.)

² The deficits incurred by the local governments are primarily the result of financing capital works expenditures by borrowing. The government sector of the national accounts includes government gross capital formation. The actual capital and current expenditures in each year are combined to show total expenditures for that year regardless of the method used to finance the expenditures.

Table 1

Government Surplus or Deficit Position
by Level of Government, 1950-1974
(National Income and Expenditure Accounts Basis)

(millions of dollars)

Surplus or Deficit (-)

Year	GNP	Federal	Provincial	Local
1950	18491	650	-4	-92
1951	21640	971	4	-149
1952	24588	195	61	-199
1953	25833	151	107	-175
1954	25918	-46	53	-279
1955	28528	202	28	-270
1956	32058	598	-44	-282
1957	33513	250	16	-285
1958	34777	-767	-50	-261
1959	36846	-339	-13	-249
1960	38359	-229	-213	-228
1961	39646	-410	-281	-128
1962	42927	-507	-56	-135
1963	45978	-286	-99	-198
1964	50280	345	-81	-141
1965	55364	544	0	-367
1966	61828	231	-174	-327
1967	66409	-84	-334	-337
1968	72586	-11	-56	-436
1969	79815	1021	319	-542
1970	85684	266	-229	-470
1971	93462	-145	-480	-526
1972	103952	-600	-690	-247
1973	120438	222	-130	-315
1974	140880	593	410	-933

Source: Statistics Canada, National Income and Expenditure Accounts, 1926-1974

3. Growth of Revenues and Expenditures

The growth of government revenues and expenditures at the three levels of government is shown in this study using the national accounts data and the financial management statistics. Using the national accounts data, the growth of revenues and expenditures is shown for the period 1950-1974 in three different ways: (1) as trends in absolute values (Chart 1); (2) as trends in revenue and expenditures as a percentage of Gross National Product (Charts 2 and 3); and (3) in terms of percentage changes over specified periods (Table 2). Using financial management statistics, growth is shown as percentage changes for the period 1969/70 - 1974/75 (Table 3).

The growth of revenues and expenditures,¹ including intergovernmental transfers, on a national accounts basis of the federal, provincial and local governments for the period 1950-1974 is shown in Chart 1 in dollar values, and in Table 2 as percentage changes over specified periods.² The trends show rising revenues and expenditures for all three levels of government over this period with the largest increases occurring in more recent years.

¹ The growth of aggregate revenues and expenditures by level of government will vary depending on the treatment of intergovernmental transfer payments. See notes at the bottom of the Charts and Tables and also see Appendix C, Glossary, for the definition of terms involving aggregate revenues and expenditures and intergovernmental transfers.

² The level of revenues and expenditures in the base year should be kept in mind when employing this method of measuring and comparing growth. A very low level in the base year may produce a large percentage change over, for example, a ten year period.

It can be seen in Table 2 that provincial and local government revenues and expenditures grew more rapidly than federal revenues and expenditures during the 1950-1960 and 1960-1970 periods. This trend was reversed in the more recent period from 1970-1974, when the growth of federal revenues and expenditures exceeded the growth of provincial and local revenues and expenditures.

In Charts 2 and 3, revenues and expenditures, including and excluding intergovernmental transfers, are illustrated as a percentage of GNP.¹ As shown in Chart 2, between 1950 and 1974 federal revenues as a percentage of GNP increased from 16.3% to 20.8% (although they declined between 1953 and 1959 and remained relatively constant at 16% to 17% during the 1960's); provincial own source revenues increased from 5.2% of GNP to 13.6%, and local own source revenue rose from 3.5% to 4.2%. More specifically, local revenues remained relatively constant at about 5% of GNP between 1962 and 1971 and then began to decline.

If intergovernmental transfers are included in the revenues of the provincial and local governments, these revenues as a percentage of GNP increase and are shown to grow more rapidly. Provincial revenues increase from 6.6% of GNP in 1950 to 17.9% in 1974, while local revenues increase from 4.4% to 7.9% in the same period.

¹ GNP provides a common base on which the growth of government revenues and expenditures may be compared over a long period of time, and also provides a view of the change in the government sector in relation to the national economy.

See Appendix B, Tables B-7 and B-8 for statistics on government revenues and expenditures including and excluding intergovernmental transfers.

Trends in the growth of government expenditures including intergovernmental transfers¹ are shown in Chart 3 where expenditures are expressed as a percentage of GNP. Fairly wide fluctuations are observed at the federal level between 1950 and 1965, stemming in part from the Korean War and the 1958-1961 recession. All three levels of government, however, experienced an increase in spending as a percentage of GNP since 1950. More specifically, between 1950 and 1974 expenditures increased as follows: federal -- from 12.8% of GNP to 20.4%; provincial -- from 6.7% of GNP to 17.6%; local -- from 4.9% of GNP to 8.6%. By the mid-1960's the combined expenditures of the provincial and local governments formed a larger portion of GNP than the expenditure of the federal government and this trend has continued to 1974.

In Chart 3, expenditures excluding transfers represent expenditures for own purposes.² Again, fluctuations are observed at the federal level over a period. Federal expenditures increased from 11.5% of GNP in 1950 to 16.1% in 1974. Provincial expenditures increased with some fluctuation from 5.7% of GNP to 11.3%. The trend at the local level was very similar to local expenditure including transfers.

¹ "Expenditures including intergovernmental transfers" includes transfers paid to other levels of government in the expenditures of the paying government and also includes them in the expenditures of the government which has received them. Intergovernmental transfers are double-counted.

² Transfers paid to other levels of government are excluded from the expenditures of the transferring government but are included in the expenditures of the receiving government.

Caution must be used in comparing the growth trends in government revenues and expenditures between levels of government illustrated in the following charts and tables. This is particularly true of the trends illustrating own source revenue at the federal and provincial levels of government, and expenditures, including transfers, at the federal level. The trends for the federal and provincial governments' own source revenues between 1950 and 1962 as shown in the charts and tables incorporate the effects of the Federal-Provincial Tax Rental¹ and Tax Sharing Agreements of that period. Under those Agreements the provincial governments (with the exception of Quebec) refrained from imposing personal and corporation income taxes² in return for rental payments (1950-1957) or a share of the revenue collected from these taxes (1958-1962). These payments are treated as federal transfers to provincial governments in the national accounts even though a large portion of the payments³ could be considered as provincial own source revenue since these payments were compensation to the provinces for a voluntary withdrawal from the two tax fields. If these payments were so considered, the section of the trend lines representing own source revenues for the

¹ The Tax Rental Agreements went into effect in 1941. Under the 1941 Agreement the provincial governments withdrew from the personal and corporation income tax fields in return for rental or compensation payments from the federal governments. These payments were unconditional transfers.

² Ontario re-entered the corporation income tax field in 1957.

³ A small portion of the payment could be viewed as equalization (although it was not officially recognized as such and cannot be separated from the total payment) and equalization payments are treated as federal transfers in the national accounts.

period 1950-1962 in Chart 2 would be higher for the provinces and lower for the federal government than is shown. The section of the trend line for federal expenditures, including transfers, in contrast would be lower for 1950-1962 period than is shown in Chart 3.¹ Another development which influenced federal and provincial revenue growth was the increasing abatement points granted the provinces under the terms of the Federal-Provincial Tax Arrangements of 1962 and subsequent adjustments giving the provinces larger shares of the personal income tax. The abatements in the personal income tax were gradually increased from 16% of the federal personal income tax in 1962 to 28% by 1968. Part of the increase was to provide more tax room for the provinces and part was a substitute for conditional grants. The Federal-Provincial Fiscal Arrangements Act of 1967 gave the provinces four additional abatement points in the personal income tax and one additional point in the corporation income tax as a substitute for certain conditional grants in support of universities and post-secondary technical education. In addition, since 1965 Quebec has received additional abatement points in taxation in lieu of certain specific purpose transfers and this revenue is treated as own source revenue for the province of Quebec in the national accounts. These developments have had the effect of raising the own source revenue trend line for the provinces for 1965 and subsequent years in Chart 2 while at the same time lowering the trend line showing federal own source revenue (and lowering the line showing federal expenditures, including transfers,

¹ This is also true for Chart 1 for federal revenues and expenditures for the period 1950-1962.

in Chart 3) since 1965. Particular factors which have recently raised the federal shares of revenues and expenditures are the Oil Export Tax, affecting revenues, and the Oil Import Compensation Program affecting expenditures.

In general, the above developments have had the effect of accentuating the rising trend for provincial own source revenue while at the same time moderating the rising trend for federal revenues and federal expenditures, including transfers.¹

Similarly, certain factors must be taken into account when viewing the growth trends in local government revenues and expenditures in relation to federal and provincial trends. The relatively flat trends at the local level reflect to a degree provincial assumption of greater responsibility for some local expenditure programs, either directly through the transfer of responsibility or indirectly through transfer payments, which would reduce local revenue needs from own source revenues.² As will be shown later, there was a large increase in provincial transfers to local governments during this period.

Table 3 shows the annual growth rates of revenue and expenditures for the three levels of government for the five-year period 1969/70 to

¹ This also applied to the trends in revenue and expenditures shares illustrated in Chart 4 and the accompanying tables.

² For example, in the early 1970's, Prince Edward Island restructured local government with the province assuming responsibility for certain functions such as health and welfare. In 1968, the province of Ontario assumed the full cost of the administration of justice in the province at a cost of \$33 million. At the same time the Government of Ontario announced in its 1969/70 budget that a major objective was "to increase its financial support for local governments in order to reduce the burden of financing which falls upon the.... property tax". See Budget of Ontario, 1969, p. 61. Similar statements can be found in the budgets of other provinces.

1974/75 using financial management statistics.¹

Over the period the average annual rate of increase in government own source revenue was: federal -- 14.9%; provincial -- 16.7%; and local -- 7.2%. If intergovernmental transfers are included in the revenues of the provincial and local governments, the average annual rate of growth for the five-year period becomes: provincial 17.2%, local 10.3%. Government expenditures, including intergovernmental transfers, have increased more rapidly than revenues during this period at the federal and provincial level with the average annual increase for the three governments being as follows: federal -- 17.2%; provincial -- 17.8%, and local 10.4%.²

Table 3 also shows the percentage change in gross general revenues and expenditures since 1969/70. Between 1969/70 and 1974/75 the growth of provincial revenues (119.7%) and expenditures (125.3%) was higher than the federal growth for revenues (98.8%) and expenditures (120.4%),³ as well as local revenues (63.1%) and expenditures (63.5%).

¹ See Appendix B, Table B-9 for the annual growth rates of consolidated provincial-local revenues and expenditures (in which transfers between the two levels of government are excluded from the revenues and expenditures) in the aggregate and by province for the period 1969/70 - 1974/75.

² The average annual increase for consolidated provincial-local revenues was 15.1% and for expenditures it was 15.4%, for the period 1969/70 - 1974/75. See Appendix B, Table B-9.

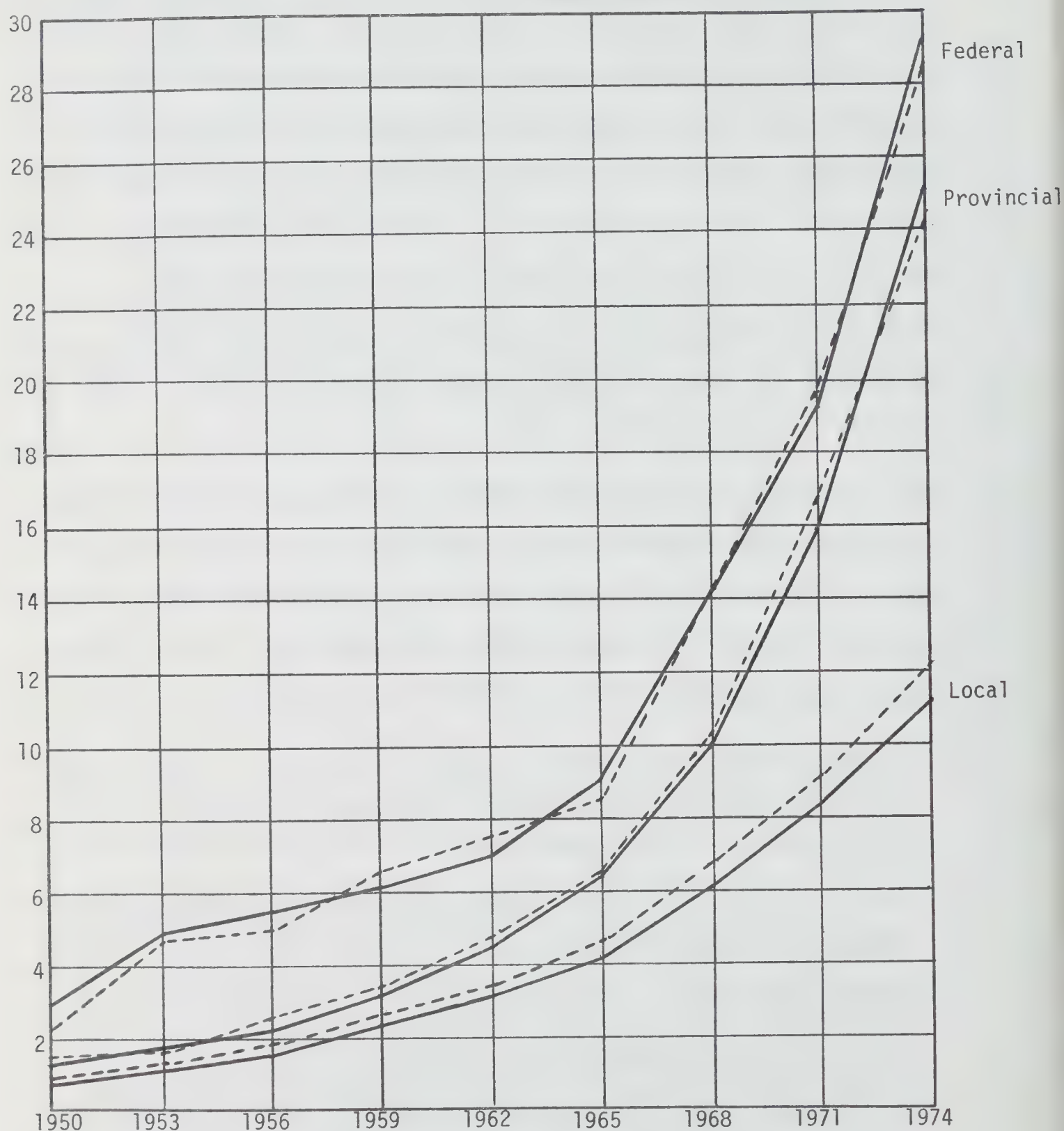
³ The percentage change over a period of time is of course affected by the base year that is used, as explained on page 19, Note 2. For example, if 1970/71 was used as the base year it would be shown that between 1970/71 and 1974/75 federal expenditures increased more rapidly than provincial expenditures (94.2% vs. 89.0%) while revenues grew at approximately 89% for both governments. (This substantiates the trends shown in Table 2 for the 1970-1974 period using national accounts data.) On the other hand, since 1972/73, it can be shown that again provincial revenues and expenditures grew more rapidly than federal.

Chart 1

Government Revenues and Expenditures¹
by Level of Government, 1950-1974
(National Income and Expenditure Accounts Basis)

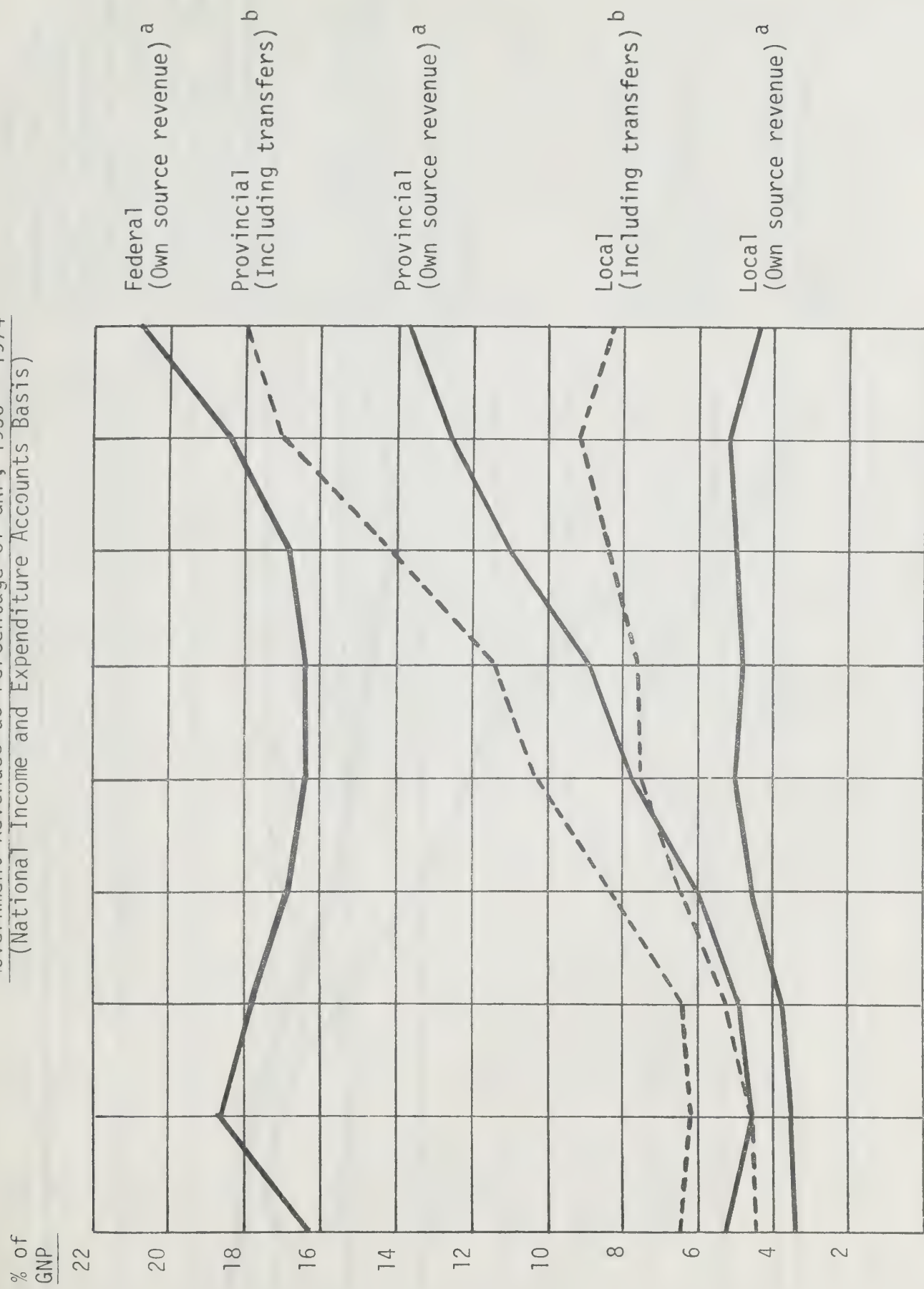
\$
Billion

———— Revenues
----- Expenditures



¹ Includes intergovernmental transfers.

Government Revenues as Percentage of GNP, 1950 - 1974
(National Income and Expenditure Accounts Basis)



a Revenue from a government's tax and miscellaneous sources, excluding transfers received.
b Revenue following the receipt of transfers by a government.

Chart 3
Government Expenditures as Percentage of GNP, 1950-1974
(National Income and Expenditure Accounts Basis)

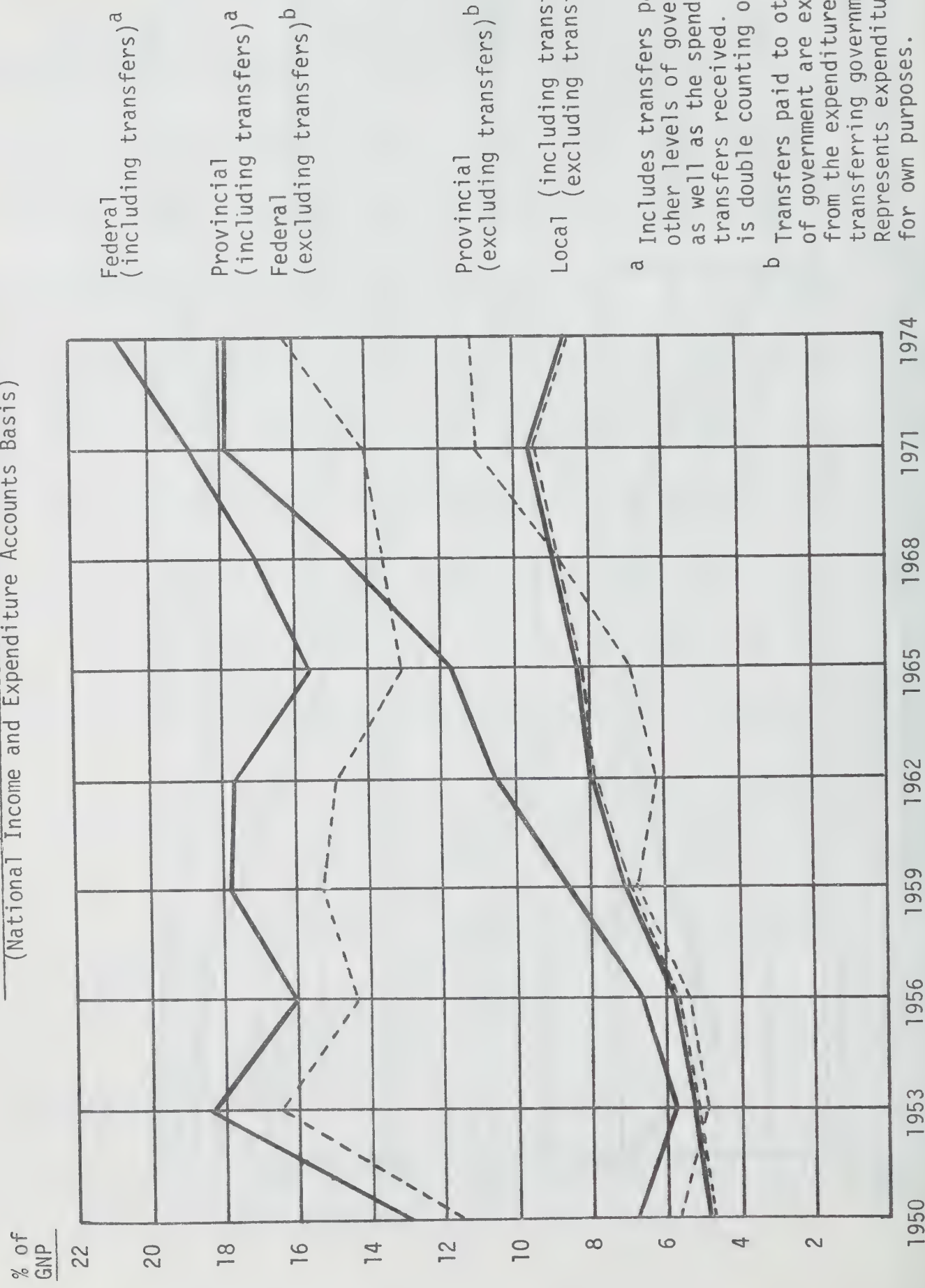


Table 2

Growth of Revenue and Expenditure By Level of Government 1950-1974
 Growth Rates for Selected Periods
 (National Income and Expenditure Accounts Basis)

Period	Expenditures ¹				Revenues ¹			
	Federal	Provincial	Local	Total	Federal	Provincial	Local	Total
1950-1960	185	187	210	179	116	171	217	131
1960-1970	126	300	187	174	138	319	194	198
1970-1974	88	76	49	77	89	82	46	78
1950-1974	1114	1921	1220	1249	872	1961	1255	1129
		% Change				% Change		

¹ Includes intergovernmental transfers. These calculations are based on the data contained in Tables B-1 to B-4 in Appendix B.

Source: National Income and Expenditure Accounts, 1926-1974.

Table 3
Revenues and Expenditures By Level of Government 1970/71-1974/75
Growth Rates (annual and over the five-year period)

Year	Gross General Expenditure ¹				Gross General Revenue ²				Own Source Revenue ³			
	Federal	Provincial	Local	Total	Federal	Provincial	Local	Total	Federal	Provincial	Local	Total
1970/71	13.5	19.2	10.3	14.9	5.1	16.0	12.2	10.4	5.1	11.7	8.7	7.8
1971/72	15.8	16.6	13.5	15.6	11.5	11.6	12.5	11.7	11.5	9.3	7.4	10.2
1972/73	14.6	9.5	8.4	11.4	15.3	12.7	8.4	13.0	15.3	15.7	8.2	14.6
1973/74	16.1	15.6	3.8	13.4	17.1	18.7	6.6	15.7	17.1	20.4	4.2	15.9
1974/75	26.1	28.1	16.0	25.0	25.5	26.8	11.8	23.6	25.5	26.2	7.4	23.8
1969/70-1974/75	120.4	125.3	63.5	109.7	98.8	119.7	63.1	99.4	98.8	114.5	41.3	96.6

¹ Includes intergovernmental transfers paid to other levels of government and the spending of transfers received from other levels of government.

² Includes intergovernmental transfers received from other levels of government.

³ Excludes intergovernmental transfers.

Source: Tri-Level Task Force on Public Finance.

4. Revenue and Expenditure Shares

Differences in the rates of growth of government revenues and expenditures between the three levels of government have produced changes in the relative shares of revenues and expenditures between the three government levels over the 1950-1974 period (national accounts data). As illustrated in Tables 4 and 5, in both categories of revenues (before and after transfers) and both categories of expenditures, the federal share follows a declining trend while the provincial share shows an upward trend. The federal share of total own source revenues still exceeds that of the provincial or local governments, but it has declined from a high of 69.7% in 1953 (the final year of the Korean War, which had caused large increases in federal expenditures and revenues) to 48.8% in 1971, increasing thereafter to 51.5% in 1974 (the share of federal revenue in the years of 1972 and 1973 were 49.1% and 49.4% respectively). The provincial share of total government own source revenue during this period increased from 16.9% in 1953 to 33.8% in 1974. These opposing trends in revenue shares reflect the differences in the rates of revenue growth which, as explained earlier, have been influenced by the Federal-Provincial Fiscal Agreements during this period. The declining trend at the federal level and the upward trend at the provincial level have been

accentuated by the provisions in these Agreements.¹

The local government's share of total government own source revenue followed a rising trend from 1953 to 1962 when local revenues increased from 13.4% of total government revenue to 17.2%. Since then the local share has declined to stand at 10.3% in 1974. The principal source of local government own source revenue is the property tax which over time has constituted a declining proportion of total government revenues, partly due to large increases in provincial transfers to local governments which tend to reduce the pressure on local governments to raise property taxes.

¹ See explanation on pages 22-23. As explained, one of the factors influencing these trends is the treatment of rental payments in the national accounts. If federal rental payments to the provinces under the Tax Rental and Tax Sharing Agreements of the 1950's were treated as own source revenue, the trends for the federal and provincial governments over the 1950-1974 period would not appear as prominent. The following gives an approximation of the change in shares if the rental payments (as contained in the historical unrevised Financial Management Statistics) were included in provincial own source revenue. Federal and provincial own source revenues and shares in Table 4 and Chart 4 would appear as follows:

<u>Revenue and Share</u>					
<u>Year</u>	<u>Rental Payment \$ mil.</u>	<u>\$ mil.</u>	<u>Federal %</u>	<u>\$ mil.</u>	<u>Provincial %</u>
1953	309	4500	65.3	1473	21.3
1956	366	5332	62.8	1944	22.9
1959	280 ^a	5859	58.3	2501	24.9

(^a Reduced through the formal establishment of equalization.)

Source: D.B.S. Historical Review, Financial Statistics of Governments in Canada, 1952-1962.

Table 4 also shows revenues by level of government after excluding intergovernmental transfers from revenues of transferring governments, and including them in revenues of recipient governments. The columns show the amount of revenue each level of government has remaining after transfers have been made and/or received. Viewing revenues in this manner produces considerable changes in revenue shares in comparison to own source revenue shares. For 1974 the shares of the federal, provincial and local governments became 40.7%, 28.6% and 19.4% respectively. The long-run trend still shows (as with the case of own source revenue) the federal share declining, the provincial share increasing, and the local share increasing up to 1962 and then declining. The increase at the provincial level is not as prominent, however, reflecting in part the provincial transfers to hospitals following 1958. The statistics also reveal that in 1950 the federal government, even after making transfers, commanded almost 60% of all government revenue for its own direct expenditure. This steadily declined so that by 1971 the federal government commanded only 36.6% of total government revenue after transfers. The trend has been reversed since 1971, however, with the federal share increasing to 40.7% by 1974.¹

Similar trends appear in the shares of government expenditures over the period 1950-1974. Table 5 illustrates the share of government activities by levels of government in terms of expenditures before and

¹ This reversal also appears using the financial management data as shown in Table 6.

after intergovernmental transfer payments. As with revenues, the shares of federal and provincial governments expenditures have moved in opposite directions since 1953 with the federal share falling, the provincial share rising and the local government share of the total fluctuating during the 1950-1965 period and then declining after 1965. In Table 5 expenditures before transfers include transfers paid to other levels of government but exclude the consequent respending of these transfers by the receiving governments. These expenditures by level of government measure the percentage or share of total government activities financed by each level of government. For example, the federal government finances part of the medical care program in the form of transfers to the provinces. The transfer represents a cost to the federal government in support of medical services. Viewing expenditures in this manner it can be observed in Table 5 that the federal-financed share of government activities steadily declined between 1953 and 1971 from 68.4% to 49.4% and then increased to 52.3% by 1974. Since 1965 the share of local governments has also declined from 18.1% to 12.4% in 1974. The share of provincial expenditures before transfers have increased from 15.5% in 1953 to 34.2% by 1974.¹

¹ As outlined earlier, the trends have been influenced by the Federal-Provincial Fiscal Agreements of this period. For example, the treatment of rental payments to provinces as federal transfers increases the federal share of total government activities financed and lowers the provincial share during the 1950-1962 period. Similarly, since 1965 the federal share has been reduced and the provincial share increased as a result of the additional abatement points in taxation granted Quebec in lieu of certain conditional grants. The abatement point revenues are not treated as transfers in the national accounts.

In Table 5, expenditures after transfers include transfers in the expenditures of the receiving governments but exclude them from the expenditures of the paying government. These expenditures reflect the percentage or share of total government spending administered by each level of government. Again, a downward trend is observed for the federal share from 62.3% in 1953 to 37.1% in 1971, rising to 41.1% by 1974. Provinces, on the other hand, generally experienced increasing shares over this period and in 1974 were responsible for administering 28.9% of total government spending. The share of local governments increased up to the mid-1960's and stood at 27.1% in 1965. Thereafter, it began to decline and by 1974 the local government share had dropped to 21.8% of total government spending.

It should be noted that within each level of government the trends in revenues and expenditures generally follow corresponding patterns. As shown in Chart 4, the shares of government revenues and expenditures within each level of government moved more or less in similar directions over the 1950-1974 period. Thus, even though local own source revenue may be observed to increase at a lower rate than provincial revenue over a period, local expenditures also increased at a lower rate, producing similar trends in the share of both revenues and expenditures at the local level.¹

Table 6 shows federal, provincial, and local government shares of total government revenues and expenditures on an annual basis from 1969/70 -

¹ See also Chart 1 and Table 2.

1974/75 using the financial management statistics.¹ The changing shares reflect the different growth rates at each level of government as illustrated in Table 3. The figures in Table 6 show increasing federal and provincial shares of revenues and expenditures and declining local shares.

¹ For an overview of government own source revenues and expenditures on a per capita basis for the three levels of government for 1974/75, See Appendix B, Table B-15.

Table 4
Revenues¹ by Level of Government, Before and After Intergovernmental Transfers
(National Income and Expenditure Accounts Basis)
(in Millions of Dollars and as a Percentage of Total Government Revenue)

Year	Revenues Before Transfers ² (Own Source Revenues)						Revenues After Transfers ³						Total																
	Federal			Provincial			Local			Hospitals				Federal			Provincial			Local			Hospitals						
	\$	%		\$	%		\$	%		\$	%			\$	%		\$	%		\$	%		\$	%					
1950	3020	65.2		965	20.8	649	14.0									2769	59.7		1055	22.8	810	17.5							4634
1953	4809	69.7		1164	16.9	922	13.4									4397	63.8		1346	19.5	1152	16.7							6895
1956	5698	67.1		1578	18.6	1220	14.3									5213	61.4		1710	20.1	1573	18.5							8496
1959	6139	61.1		2221	22.1	1686	16.8									5259	52.3		2479	24.7	2308	23.0							10046
1962	6979	55.9		3316	26.5	2142	17.2			54	.4					5845	46.8		2576	20.6	3221	25.8			849	6.8			12491
1965	9095	54.3		4949	29.5	2646	15.8			71	.4					7664	45.7		3768	22.5	4123	24.6			1206	7.2			16761
1968	12218	48.9		7966	31.9	3658	14.6			92	.4					9846	39.4		6274	25.1	5948	23.8			1866	7.5			24974 ^b
1971	17240	48.8		11734	33.2	4740	13.4			124	.4					12917	36.6		10009	28.3	8259	23.4			2653	7.5			35316 ^b
1974	29353	51.5		19242	33.8	5887	10.3			171	.3					23207	40.7		16313	28.6	11070	19.4			4063	7.1			56971 ^b

¹ Includes capital consumption allowances.

² Transfers between levels of government are attributed to the level of government which makes them. Transfers include rental payments under the Tax Rental and Tax Sharing Agreements from 1950-1962.

³ Transfers between levels of government are excluded from transferring governments and included in revenues of recipient governments.

^a Total includes CPP and QPP as follows:

	(\$ million)	%
1968	1040	4.2
1971	1478	4.2
1974	2318	4.1

^b Total includes CPP and QPP as follows:

	(\$ million)	%
1968	1040	4.2
1971	1478	4.2
1974	2318	4.1

Source: Statistics Canada, National Income and Expenditure Accounts 1926-1974.

Table 5
Expenditure by Level of Government, Before and After Intergovernmental Transfers
(National Income and Expenditure Accounts Basis)
(in millions of dollars and percentage of total government expenditure)

Year	Expenditures Before Transfers ¹					Expenditures After Transfers ²					Total	
	Federal	Provincial	Local	Hospitals	Total	Federal	Provincial	Local	Hospitals	Total	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1950	2370	969	741	-	4080	2119	1059	902	-	4080		
1953	4658	1057	1097	-	6812	4246	1239	1327	-	6812		
1956	5100	1622	1502	-	8224	4615	1754	1855	-	8224		
1959	6478	2234	1935	-	10647	5598	2492	2557	-	10647		
1962	7486	3372	2277	62	13197	6352	2632	3356	857	13197		
1965	8551	4949	3013	41	16554	7120	3768	4490	1176	16554		
1968	12229	8010	4094	90	24472 ^a	9857	6330	6384	1864	24472 ^b		
1971	17385	12214	5266	142	35207 ^a	13062	10489	8785	2671	35207 ^b		
1974	28760	18832	6820	89	55043 ^a	22614	15903	12003	3981	55043 ^b		

¹ Transfers paid to other levels of government are included as expenditures of the transferring government, but excluded from expenditures of recipient government. Reflects percentage of costs to level of government of services provided or activities undertaken by all governments combined.

² Transfers paid to other levels of government are excluded from the expenditures of the transferring government, but included in the expenditures of the recipient government. Shows percentage of total expenditures administered by each level of government, or costs of services provided by each level of government.

^a Total includes CPP and QPP as follows:

Year	(\$ million)	%
1968	37	.2
1971	200	.5
1974	542	1.0

^b Total includes CPP and QPP as follows:

Year	(\$ million)	%
1968	37	.2
1971	200	.5
1974	542	1.0

Source: Statistics Canada, National Income and Expenditure Accounts 1926-1974.

Table 6

Revenues and Expenditures by Level of Government, 1969/70-1974/75
Share of Total Revenues and Expenditures (percentage of total)

Year	Gross General Expenditure ¹				Gross General Revenue ²				Own Source Revenue ³			
	Federal	Provincial	Local	Total	Federal	Provincial	Local	Total	Federal	Provincial	Local	Total
		%				%				%		
1969/70	40.9	37.1	22.0	100.0	44.3	36.1	19.6	100.0	52.9	34.0	13.2	100.0
1970/71	40.4	38.5	21.1	100.0	42.2	37.9	19.9	100.0	51.5	35.2	13.3	100.0
1971/72	40.5	38.8	20.7	100.0	42.1	37.9	20.0	100.0	52.2	34.9	13.0	100.0
1972/73	41.7	38.2	20.2	100.0	43.0	37.8	19.2	100.0	52.3	35.2	12.2	100.0
1973/74	42.6	38.9	18.5	100.0	43.5	38.8	17.7	100.0	52.7	36.4	10.9	100.0
1974/75	43.0	39.9	17.1	100.0	44.2	39.8	16.0	100.0	53.5	37.1	9.5	100.0

¹ Includes intergovernmental transfers paid to other levels of government and the spending of transfers received from other levels of government.

² Includes intergovernmental transfers received from other levels of government.

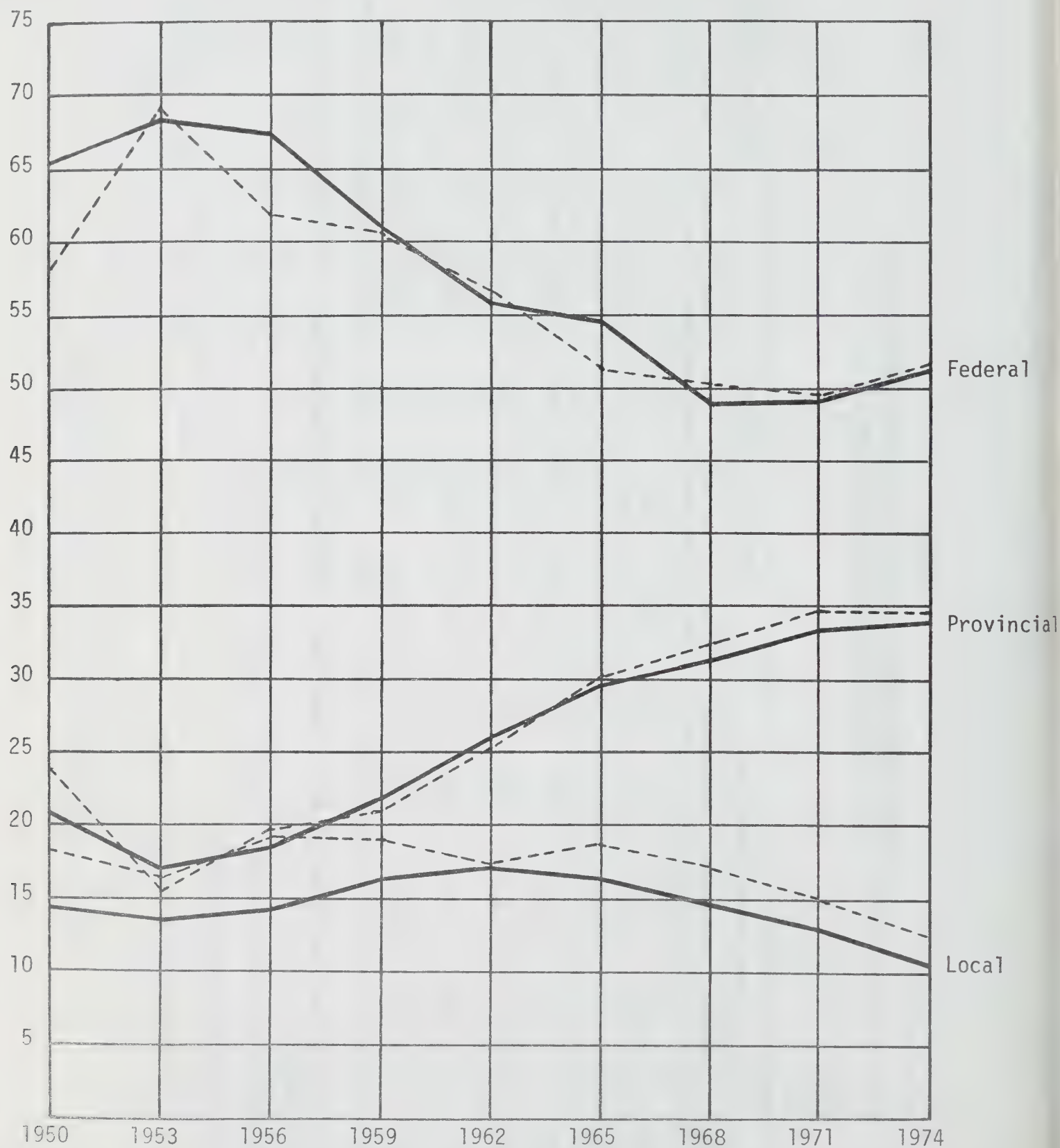
³ Excludes intergovernmental transfers.

Source: Tri-Level Task Force on Public Finance.

Government Revenues¹ and Expenditures², by Level
of Government, as a Percentage of Total
Government Revenues and Expenditures, 1950-1974
(National Income and Expenditure Accounts Basis)

% of
Total
Revenues

———— Revenues
----- Expenditures



¹ Own source revenues.

² Expenditures before transfers. Transfers between levels of government are attributed to the government which makes them.

5. Composition of Revenues and Expenditures¹

(a) Revenues

There is considerable difference in the composition of revenues between the three levels of government. This is illustrated in Table 7, which shows the national accounts data, and Tables 8, 9, and 10, which show the financial management statistics.

The federal government relies almost exclusively on taxes for its revenues. The most important are the personal income and corporation income taxes which combined account for over one-half of federal revenue. Since 1950 the personal income tax has become an increasingly important source of revenue, rising from 20.3% of federal revenue to 37.9% (national accounts basis) by 1974. At the same time, the corporation income tax and sales and excises have decreased in importance as sources of revenue over the 1950-1974 period.²

At the provincial level, taxes account for slightly more than one-half of total revenue³ and there has been no significant change in the proportion of total provincial revenue obtained from taxes since 1950.

¹ See Appendix B, for detailed information on government revenues and expenditures on a national income and expenditure accounts basis and for details on revenues and expenditures using financial management statistics. Provincial revenues and consolidated provincial-local revenues and expenditures are shown by province.

² See Appendix B, Table B-10.

³ For individual provincial variation from this proportion, see Appendix B, Tables B-16 to B-25 which show the composition of provincial revenues by province.

Among the various provincial tax sources, however, the personal income tax and the retail sales tax have become much more important sources of revenue for the provinces since 1950.¹ As can be seen from Table 9, however, the trend since 1969/70 points to sales taxes declining as a percentage of total revenue.

Another feature of provincial revenues is that while transfers from the federal government have fluctuated over the 1950-1974 period they do show a tendency to increase as a percentage of total provincial revenues.² Furthermore, in the last three years as observed in Table 9, specific purpose transfers have declined in importance as a source of revenue while general purpose transfers, primarily due to the Tax Revenue Guarantee and the Oil Export Tax Share, have increased.

At the local government level there has been a prominent decline in tax revenues as a proportion of total revenue and a large increase in transfers from the provinces. Between 1950 and 1974, local tax revenue fell from 62.1% of total revenue to 44.6%, while transfers increased from 20.9% to 47.1%. This long-term trend of local governments relying

¹ As shown in Appendix B, Table B-11, the provincial retail sales tax rose from 7.1% of total provincial revenue in 1950 to 14.7% in 1974. This reflects increasing rates of tax as well as the imposition of the retail sales tax during this period by provinces which had not tapped this source of revenue in 1950.

² The trends (on a national accounts basis) observed in federal and provincial personal and corporation income tax revenues and federal transfers received by provinces during the 1950-1974 period (Appendix B, Tables B-10 and B-11) have been affected by developments in federal-provincial relations during this period. The figures are comparable, with some qualifications, only from 1962. See pages 22-23 for an explanation of developments during this period.

more and more heavily on transfers as a source of revenue applies to the more recent period as illustrated in Table 10. The financial management statistics show a continual annual decline in tax revenue as a percentage of total revenue from 47.3% in 1969 to 39.5% in 1974, while transfers increased from 42.2% of total revenue to 49.4% in the same period.

The main source of tax revenue at the local level is the property tax which constitutes approximately 90% of total local tax revenue.

However, property tax revenue as a proportion of total local government revenue has declined since the mid-1950's from 54.5% in 1956 to 38.8% in 1974, (National Accounts Basis).¹ Table 10 shows that this decline has been consistent in recent years, with property tax revenue falling from 43.1% of total local revenue in 1969 to 35.9% by 1974. Some of the factors which have influenced this trend have been mentioned earlier.

Table 11 shows the composition of the consolidated provincial-local revenues by source for the 1969/70 - 1974/75 period using financial management statistics. A major change during this period was the supplanting of the property tax as the most important source of tax revenue by sales taxes and by the personal income tax.

Property tax revenue fell from 18.1% of total revenue in 1969/70 to 12.2% by 1974/75, while sales taxes fluctuated between

¹ See Appendix B, Table B-12.

17.6% and 16%, and personal income taxes increased from 12.6% to 16.5%.¹ Among other notable features of the consolidated provincial-local revenues during this period, it can be observed that tax revenue (with the exception of 1974/75) remained at 60% or more of total revenue while own source revenue (with the exception of 1971/72) exceeded 80% of total revenue. Transfers from the federal government increased from 16.2% of total provincial-local revenue in 1969/70 to 20.2% in 1971/72. They declined to 18.2% by 1973/74 and then increased to 19.4% in 1974/75.²

¹ It should be noted that the data on the property tax in Table 11 do not take into account the tax credits and grants extended to property owners by some provinces in an attempt to reduce the property tax burden. These credits and grants have the effect of decreasing the net yield of the property tax in the consolidated sphere of provincial-local finance.

² Consolidated provincial-local revenues by province are illustrated in Appendix B, Tables B-26 to B-35. It can be seen from these provincial profiles that the composition of revenues in some provinces differs from that for all provinces combined as illustrated in Table 11. For example, transfers from the federal government form a much larger proportion of total revenues in the Maritime provinces than is the case for all provinces combined. Consequently, tax revenue constitutes a smaller proportion of total revenue in these provinces. It is also shown that tax revenue constitutes a smaller proportion of total revenue in Alberta than is true of all provinces combined (due to importance of revenues from natural resources in Alberta). Another example is the property tax which is a less significant source of revenue particularly in the Maritime provinces and Alberta than is the case for all provinces combined. On the other hand, the property tax remains the most significant source of revenue of the provincial-local governments in B.C., and the second most important source in Ontario (disregarding the effects of property tax credits).

Trends in major revenue sources within individual provinces as shown in Tables B-26 to B-35 generally correspond to the pattern shown for all provinces combined in Table 11, (although there are some exceptions such as the large increase in revenues from natural resources in 1974/75 for Alberta and Saskatchewan and the general decline in tax revenue as a percentage of their total revenues).

Table 7

Government Revenues By Source and Level of Government Select Years 1950-74
(National Income and Expenditure Accounts Basis)

<u>Government and Year</u>	<u>Revenue Source</u>			<u>Total Revenue</u>
	<u>Taxes</u>	<u>Transfers from Governments</u>	<u>Other</u>	
	% of revenues			
<u>Federal</u>				
1950	93.7	-	6.3	100.0
1962	92.3	-	7.7	100.0
1974	92.2	-	7.8	100.0
<u>Provincial</u>				
1950	66.4	21.3	12.3	100.0
1962	63.4	24.9	11.7	100.0
1974	63.1	23.8	13.1	100.0
<u>Local</u>				
1950	62.1	20.9	17.0	100.0
1962	57.9	34.1	8.0	100.0
1974	44.6	47.1	8.3	100.0

Source: Statistics Canada, National Income and Expenditure Accounts 1926-1974.

Federal Government Revenue by Source, 1969/70 to 1974/75
(in millions of dollars and percentage of total revenue)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes						
Income						
Personal Income	5588	6395	7227	8378	9226	11710
Corporation Income	2839	2426	2396	2920	3710	4836
Payments to Non-Residents	249	258	288	292	324	427
Sub-total	8676	9079	9911	11590	13260	16973
	54.7	54.5	53.3	54.1	52.8	53.9
Sales and Excises						
General Sales	2294	2281	2653	3052	3590	3866
Alcoholic Beverages	335	360	399	426	460	413
Tobacco	486	527	547	565	611	664
Other	73	73	47	44	20	84
Sub-total	3188	3241	3646	4087	4681	5027
	20.1	19.5	19.6	19.0	18.6	16.0
Customs Duties	818	815	989	1182	1385	1809
Estates, Gifts, etc.	101	120	132	61	14	7
Unemployment Insurance Contribution	492	495	571	742	1017	1623
Universal Pension Plan Levies	746	813	826	879	998	1255
Oil Export Tax	-	-	-	-	287	1669
Other	6	7	4	1	-	-
Total Tax Revenue	14027	14571	16077	18541	21641	28365
	88.5	87.5	86.5	86.5	86.2	90.0
Natural Resources	9	8	8	11	14	19
Privileges, Licenses, Permits	19	20	21	22	24	32
Sales of Goods and Services	402	516	590	702	965	738
Return on Investments	786	949	1166	1329	1568	1387
	5.0	5.7	6.3	6.2	6.2	4.4
Other Own Source Revenue						
Employee Pension Plan Contributions	130	140	185	221	220	306
Postal Revenue	431	418	487	558	586	589
Other	45	36	46	45	83	76
	.8	.8	1.0	1.0	.9	1.0
Sub-Total	606	594	718	824	889	971
	3.8	3.6	3.9	3.8	3.5	3.1
Total Revenue	15849	16662	18580	21429	25102	31512
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

Table 9

Total Provincial Government Revenue by Source, 1969/70 to 1974/75

(in millions of dollars and percentage of total revenue)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes						
Personal Income	2142	2754	2969	3629	4388	5623
Corporation Income	863	763	786	980	1202	1933
Real and Personal Property	53	48	49	58	85	69
Sales Taxes						
General Sales	1676	1786	2009	2332	3001	3577
Motor Fuel	1016	1090	1163	1266	1414	1435
Tobacco	171	194	210	238	249	256
Other	111	118	131	150	172	201
Sub-Total	2974	3188	3513	3986	4836	5467
Health Insurance Contribution						
Workers Compensation Contribution	658	792	763	700	681	693
Other Taxes	309	316	339	402	458	609
	560	641	729	837	978	1046
Total Tax Revenue	7557	8500	9152	10588	12623	15439
Natural Resources						
Privileges, Licenses, etc.	643	603	641	788	1252	2408
Sales of Goods and Services	504	504	555	627	682	695
Return on Investments	328	388	451	578	608	707
Remittances from Liquor Boards	414	447	552	574	649	743
Interest	579	737	839	950	1103	1389
Other	19	56	72	80	94	124
Sub-Total	1012	1238	1461	1602	1847	2254
Other Own Source Revenue	137	138	162	190	292	296
Total Own Source Revenue	10180	11368	12421	14374	17303	21841
General Purpose Transfers	959	1214	1456	1424	1826	2558
Specific Purpose Transfers	1777	2404	2846	3058	3249	3972
Total	12915	14985	16722	18853	22380	28370
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

Table 10

Total Local Government Revenue by Source, 1969/74
(in millions of dollars and percentage of total revenue)

Revenue Source	1969		1970		1971		1972		1973		1974	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Taxes	263	3.8	297	3.8	315	3.7	335	3.5	351	3.4	378	3.3
Taxes on Corporations												
Real and Personal Property Taxes												
Municipal	1338	19.1	1486	18.9	1570	17.8	1791	18.7	2000	19.6	2218	19.4
School	1681	24.0	1766	22.5	1802	20.4	1855	19.3	1782	17.4	1884	16.5
Sub-Total	3019	43.1	3249	41.3	3371	38.1	3645	38.0	3782	37.0	4103	35.9
Other Taxes	37	.5	58	.7	41	.5	30	.3	41	.4	38	.3
Total Tax Revenue	3316	47.3	3602	45.8	3726	42.1	4010	41.8	4173	40.8	4517	39.5
Privileges, Licences, etc.	73	1.0	74	.9	57	.6	63	.7	68	.7	71	.6
Sales of Goods and Services												
Water	184	2.6	202	2.6	304	3.4	334	3.5	354	3.5	372	3.3
General	148	2.1	171	2.2	251	2.8	306	3.2	316	3.1	350	3.1
Sub-Total	331	4.7	374	4.8	555	6.3	639	6.7	667	6.5	722	6.3
Return on Investments	62	.9	70	.9	64	.7	78	.8	80	.8	68	.6
Other Own Source Revenue	175	2.5	182	2.3	212	2.4	207	2.2	213	2.1	210	1.8
Total Own Source Revenue	3955	56.5	4298	54.7	4615	52.2	4995	52.1	5203	50.9	5590	48.9
Grants in Lieu of Taxes												
Federal government	41	.6	44	.6	45	.5	50	.5	51	.5	56	.5
Provincial government	17	.2	19	.2	21	.2	30	.3	46	.4	48	.4
Federal and Province Enterprises	35	.5	36	.4	41	.5	45	.5	53	.5	59	.5
Other	-	-	-	-	16	.2	20	.2	39	.4	41	.4
Sub-Total	92	1.3	98	1.2	121	1.4	144	1.5	189	1.8	203	1.8
General Purpose Transfers (Provincial)												
Special Purpose Transfers	290	4.1	307	3.9	361	4.1	429	4.5	565	5.5	668	5.9
Federal	37	.5	31	.4	87	1.0	95	1.0	80	.8	125	1.1
Provincial	2633	37.6	3127	34.8	3656	41.3	3926	40.9	4186	40.9	4841	42.4
Sub-Total	2669	38.1	3158	40.2	3744	42.3	4021	41.9	4267	41.7	4965	43.5
Total Revenue	7006	100.0	7862	100.0	8842	100.0	9589	100.0	10223	100.0	11426	100.00

Source: Tri-Level Task Force on Public Finance

Table 11

All Provinces, Consolidated Provincial-Local Revenue By Source, 1969/70-1974/75
(in millions of dollars and percentage of total revenues)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
Taxes						
Personal Income	\$ 2142	\$ 2752	\$ 2967	\$ 3629	\$ 4388	\$ 5623
Corporation Income	862	763	786	978	1202	1933
Real and Personal Property						
Provincial	54	49	49	58	85	69
Municipal	1337	1484	1571	1791	1999	2218
School	1681	1765	1802	1855	1783	1884
Sub-Total	3072	3298	3422	3704	3868	4172
	18.1	17.1	15.9	15.5	14.0	12.2
Sales Taxes						
General Sales	1675	1786	2009	2331	3000	3570
Motor Fuel	1017	1090	1163	1265	1413	1435
Tobacco	171	193	211	238	248	254
Other	117	126	140	160	180	214
Sub-Total	2980	3195	3523	3994	4842	5479
	17.6	16.5	16.4	16.7	17.5	16.0
Other Taxes¹						
Natural Resources	1817	2094	2180	2293	2497	2754
Privileges, Licenses, etc.	10873	12102	12878	14598	16795	19956
Sales of Goods and Services	643	602	641	788	1252	2407
Return on Investments	575	576	610	689	751	767
Other Own Source Revenue	659	759	1006	1218	1276	1429
Total Own Source Revenue	1073	1308	1526	1680	1927	2323
	313	319	374	396	505	549
	1.8	1.6	1.7	1.7	1.8	1.6
Total Own Source Revenue	14135	15666	17035	19369	22505	27431
	83.4	81.0	79.4	80.8	81.4	80.3
Grants in Lieu of Taxes	67	68	82	82	95	106
Transfers						
General Purpose	958	1215	1455	1423	1751	2556
Specific Purpose	1780	2393	2886	3101	3285	4077
Sub-Total	2738	3608	4341	4524	5036	6633
	16.2	18.7	20.2	18.9	18.2	19.4
Total Revenue	16940	19342	21457	23974	27636	34169
	100.0	100.0	100.0	100.0	100.0	100.0

¹ Includes Health and Unemployment Insurance Contributions and the Quebec Pension Plan.

Source: Tri-Level Task Force on Public Finance

(b) Expenditures

There were some significant changes in the composition of government expenditures during the period 1950-1974, particularly at the federal and provincial levels. This is illustrated in Table 12 which presents expenditures using national accounts classifications.¹

Three major categories of expenditures under the national accounts classification are expenditure on goods and services, transfers to persons,² and transfers to other levels of government. There has been a major shift in expenditures between these categories at the federal and provincial levels. At the federal level in 1950 goods and services absorbed the largest proportion of the federal budget (38.9%) with transfers to persons second at 25.9%. By 1974, expenditures on goods and services had been reduced to 25.8% while transfers to persons increased to 30.2% of the federal budget to become the largest expenditure item.³ Over the same period the proportion of provincial expenditure devoted to transfers to persons was reduced by almost one-half. By 1974, provincial expenditures on goods and services continued to absorb approximately 30.0% of the provincial budget but transfers to persons had declined from 31.2% to 17.1% (excluding tax credits). At the local

¹ See Appendix B, Tables B-36 to B-38 for more detailed statistics.

² These transfers are generally viewed as expenditures designed for the redistribution and maintenance of incomes.

³ The increase in federal transfers to persons is largely attributed to increases in spending on Old Age Security and unemployment insurance. See Appendix B, Tables B-36 for more details.

government level expenditures on goods and services remained dominant throughout the period and increased from 67.3% of local expenditures to 73.2%. Transfers to persons remained relatively small, absorbing slightly in excess of 2.0% of local budgets.

There was also a major shift in expenditures to transfers to other levels of government at the federal and provincial levels. Federal and provincial governments incurred substantial increases in intergovernmental transfers. Federal transfers to other levels of government (almost exclusively to provinces) increased from 10.6% of federal expenditures to 21.3%. Provincial transfers to other levels of government rose from 13.9% of provincial expenditures to 36.0%. Excluding transfers to hospitals (the Hospital Insurance program was introduced in the late 1950's), provincial transfers to local governments increased from 13.9% of provincial revenue to 20.4% from 1950-1974.

More detailed information on expenditure composition for the period 1969/70 - 1974/75 is obtained from the financial management statistics which classify expenditures by functions and major programs. Even though this is a relatively short period of time some changes in the composition of expenditures classified along functional lines can be observed. These are illustrated in Tables 13, 14, and 15.

At the federal level, social services was the most costly government responsibility, absorbing 31.7% of the federal budget in 1974/75. For the provinces, health was the most costly item in 1974/75, taking 24.7% of the budget, followed by education (23.5%) and social services (14.1%).

Education was also the major item at the local level, absorbing 41.7% of local government expenditures in 1974.

The proportion of expenditures on these major functions had undergone some change during the 1969/70 - 1974/75 period. All three levels of government increased the proportion of their expenditures devoted to social services and reduced the proportion devoted to education. The largest increase in expenditures for social services was made by the federal government which increased social services expenditures from 28.5% of federal expenditure in 1969/70 to 32.2% in 1973/74. (This figure declined to 31.7% in 1974/75.) Education is primarily a provincial and local responsibility and these two levels of government reduced the proportion of their expenditures devoted to education from 27.2% to 23.5% and from 49.4% to 41.7% respectively between 1969/70 and 1974/75. The proportion of expenditures devoted to health by the three levels of government increased between 1969/70 and 1972/73 and then began to decline, but health has displaced education as the most costly item in the provincial budgets.

Table 16 shows consolidated provincial-local expenditures by function for the 1969/70 - 1974/75 period using financial management statistics. Over this period, education remained the most costly function of the provincial-local governments but declined from 30.4% of total expenditures in 1969/70 to 23.7% by 1974/75. Health remained the second most costly function followed by transportation and communication and social services. These four functions account for over two-thirds of provincial-local expenditures.

Among the major functions the decline in the significance of education in provincial-local budgets has been accompanied by increases in the significance of social services and financial services, and a decline in transportation and communications. Of the various functions, social services has incurred the largest increase.¹

¹ Consolidated provincial-local expenditures by province are illustrated in Appendix B, Tables B-39 to B-48. These provincial profiles show that while for the most part the composition and trends of expenditures by function in each province correspond to the over-all provincial-local pattern shown in Table 16 there are some exceptions particularly in the trends. For example, education expenditures in Newfoundland have not followed the declining trend shown for all provinces combined. Social services in Newfoundland and Prince Edward Island on the other hand, have not followed the general increasing trend shown for all provinces combined but have declined, while social services in Ontario, Manitoba, Saskatchewan, and British Columbia have increased more rapidly than is the case for all provinces combined (attributed in part to tax credits and rebates).

There is general correspondence in the composition of expenditures of individual provinces with the general provincial-local pattern. For the 1969/70 - 1974/75 period education and health ranked first and second respectively in terms of costly functions in all provinces (except Manitoba where in 1974/75 health ranked first). Transportation and communications and social services formed the other two most costly functions in all provinces, although their ranking varied among provinces.

Table 12

Composition of Government Expenditures by Level of Government Select Years 1950-1974
(National Income and Expenditure Accounts Basis)

	Federal			Provincial			Local		
	1950	1962	1974	1950	1962	1974	1950	1962	1974
	% of expenditure			% of expenditure			% of expenditure		
Goods and Services	38.9	35.9	25.8	31.8	23.7	30.0	67.3	64.2	73.2
Transfers to Persons	25.9	28.1	30.2	31.2	16.0	17.1	2.6	2.4	2.1
Interest on Public Debt	18.0	11.6	10.3	6.1	4.1	6.0	4.6	7.4	6.9
Transfers to Other Government	10.6	15.2	21.3	13.9	41.2	36.0	1.2	.8	.4
Other	6.6	9.2	12.4	17.0	15.0	10.9	24.3	25.2	17.4
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Statistics Canada, National Income and Expenditure Accounts, 1926-1974.

Table 13 (Continued)

Federal Government Expenditures by Function and Major Programme, 1969/70 to 1974/75
(in millions of dollars and percentage of total expenditures)

Expenditure	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Recreation and Culture	101	.7	105	.7	165	.9	216	1.0	253	1.0	294	1.0
Natural Resources ¹	223	1.6	235	1.5	249	1.4	285	1.4	513	2.1	1502	4.9
Agriculture, Trade Industry	863	6.2	743	4.7	920	5.0	1056	5.0	1167	4.8	1239	4.0
Environment	50	.4	46	.3	65	.3	100	.5	246	1.0	227	.7
Labour, Employment and Immigration	176	1.3	158	1.0	300	1.6	105	2.4	474	2.0	481	1.6
Housing	38	.3	41	.3	71	.4	100	.5	138	.6	206	.7
Foreign Affairs and International Aid	250	1.8	289	1.8	311	1.7	385	1.8	439	1.8	543	1.8
Supervision and Development of Regions	98	.7	257	1.6	242	1.3	260	1.3	289	1.2	332	1.1
Research	332	2.4	391	2.5	344	1.9	278	1.3	302	1.2	397	1.3
Grants in Lieu of Taxes	50	.4	55	.3	59	.3	64	.3	67	.3	73	.2
General Purpose Transfers												
To Provinces	949	6.8	1264	8.0	1488	8.2	1576	7.5	1816	7.5	2744	9.0
To Municipalities	1	-	1	-	-	-	-	-	-	-	-	-
Sub-Total	950	6.8	1265	8.0	1488	8.2	1576	7.5	1816	7.5	2744	9.0
Deficit Payments to Own Enterprises	246	1.8	256	1.6	273	1.5	294	1.4	362	1.5	470	1.5
Interest on the Public Debt	1110	8.0	1190	7.6	1375	7.5	1455	7.0	1674	6.9	2340	7.6
Other	71	.5	43	.3	49	.3	48	.2	62	.3	45	.1
Gross General Expenditure	13887	100.0	15759	100.0	18249	100.0	20913	100.0	24277	100.0	30608	100.0

¹ Includes subsidy on imported oil.

Source: Tri-Level Task Force on Public Finance

Table 14
Total Provincial Expenditures by Function and Major Programme, 1969/70 to 1974/75
(in millions of dollars and percentage of total expenditures)

Expenditure	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
General government	589	679	832	884	1067	1557
Protection	462	505	572	646	765	1032
Transportation and Communication	1356	1504	1717	1833	2094	2767
Health						
Hospitals	2375	2645	2955	3378	3732	4609
Medical Care	647	1142	1447	1528	1757	2022
Other	205	188	213	281	243	367
Sub-Total	3228	3972	4613	5186	5733	6999
Social Services						
Labour Force Security	185	258	271	299	381	470
Social Welfare	977	1182	1435	1561	1808	2449
Tax Credits and Rebates	210	273	291	181	442	670
Other	144	169	230	249	287	422
Sub-Total	1521	1877	2224	2286	2913	4001
Education						
Primary and Secondary	2108	2574	2931	3154	3422	3972
Post-Secondary	1129	1260	1461	1618	1800	2289
Other	184	192	219	223	277	392
Sub-Total	3421	4026	4606	4991	5491	6653
Recreation and Culture						
Natural Resources	134	151	192	200	287	411
Agriculture, Trade, Industry	269	312	380	399	450	668
Environment	292	313	370	427	482	767
Housing	52	69	90	164	196	295
Supervision and Development of Regions	201	259	332	345	385	613
Financial Services	56	138	184	153	221	298
General Transfers to Local Governments	660	819	950	1155	1389	1542
Other	319	343	367	432	560	644
	43	41	62	59	78	98
Total	12591	15006	17493	19163	22144	28368
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

Table 15

Total Local Government Expenditure by Function and Major Programme, 1969-1974

(in millions of dollars and percentage of total expenditures)

Expenditure	1969		1970		1971		1972		1973		1974	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	314	4.2	334	4.1	336	3.6	364	3.4	445	4.2	526	4.3
Protection	500	6.7	584	7.1	633	6.8	763	7.5	824	7.8	948	7.8
Transportation and Communication ¹	917	12.3	983	12.0	1134	12.1	1202	11.9	1372	13.1	1649	13.5
Health ²	394	5.3	430	5.2	465	5.0	502	5.0	525	5.0	588	4.8
Social Services ³	206	2.8	299	3.6	362	3.9	435	4.3	397	3.8	480	3.9
Education ⁴	3683	49.4	4038	49.1	4416	47.3	4603	45.5	4538	43.2	5075	41.7
Recreation and Culture	262	3.5	335	4.1	421	4.5	511	5.0	548	5.2	677	5.6
Environment												
Water supply	221	3.0	211	2.6	286	3.1	303	3.0	293	2.8	369	3.0
Sewage	229	3.1	235	2.9	271	2.9	321	3.2	348	3.3	469	3.8
Other	90	1.2	92	1.1	113	1.2	122	1.2	142	1.4	156	1.3
Sub-Total	540	7.2	540	6.6	667	7.1	749	7.4	785	7.5	992	8.1
Housing	42	.6	41	.5	101	1.1	102	1.0	122	1.2	166	1.4
Financial Services	492	6.6	559	6.8	701	7.5	727	7.2	762	7.3	858	7.0
Other	103	1.4	86	1.0	106	1.1	173	1.7	190	1.8	226	1.9
Total Expenditure	7452	100.0	8223	100.0	9337	100.0	10120	100.00	10504	100.0	12184	100.0

¹ Primarily road transport² Primarily hospitals³ Primarily social welfare⁴ Primary and secondary education

Source: Tri-Level Task Force on Public Finance

Table 16

All Provinces, Consolidated Provincial/Local Expenditure By Function, 1969/70-1974/75
(in millions of dollars and percentage of total expenditures)

Expenditure	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
General Government	904	1013	1168	1145	1509	2080
Protection	954	1082	1198	1402	1556	1926
Transportation and Communication	2076	2266	2549	2737	3117	3973
Health	3302	4067	4654	5247	5766	7067
Social Services	1581	1972	2295	2447	3052	4202
Education	5202	5814	6416	6819	7013	8237
Recreation and Culture	391	476	607	702	803	1057
Natural Resources	258	309	375	446	503	728
Agriculture, Trade, Industry and Tourism	289	303	373	437	501	785
Environment	588	594	734	871	947	1223
Housing	233	282	412	414	476	729
Supervision and Development of Regions	42	91	135	100	118	142
Financial Services	1148	1377	1652	1844	2150	2399
Other	141	133	152	210	195	250
Total	17109	19778	22718	24918	27711	34795
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

6. Growth of Intergovernmental Transfers

Intergovernmental transfer payments are presented in Table 17 as a percentage of the revenues of the three levels of government for the period 1950-1974.¹ It can be observed that during this period there were large increases in federal transfers to provincial governments, and in provincial transfers to local governments. Federal transfers increased from 8.3% of federal revenues in 1950 to 20.9% in 1974. These transfers constituted approximately one-quarter of total provincial revenues during this period.² Federal transfers to local governments, however, have not been an important source of revenue for local governments and constituted less than 2% of total local revenue.

Provincial government transfers to local governments and hospitals increased rapidly during the 1950-1974 period. Provincial transfers increased from 13.9% of provincial revenues in 1950 to a high of 41.7% in 1962 and then declined to 35.4% by 1974. The large increase from 20.0% in 1959 to 41.7% in 1962 (Table 17) was the result of the introduction of the Hospital Insurance program (provincial expenditures in support of hospitals are treated as transfer payments in the national accounts).

1

The national income and expenditure accounts data do not distinguish between specific purpose and general purpose transfers.

2

The trends in federal transfers as a percentage of federal and provincial revenues have been affected by developments in federal-provincial financial arrangements over the period 1950-1974. See explanations on pages 22-23.

In terms of local government revenues, provincial transfers to local governments have increased from 20.8% of local revenue in 1950 to 45.7% in 1974. This shows the continually increasing reliance by local governments on provincial transfers as a source of revenue over this period.

Finally, local government transfers to other levels of government and hospitals have not been significant, constituting only .4% of local revenue in 1974.

Table 17

Intergovernmental Transfers as a Percentage of Government Revenues¹, 1950-1975
(National Income and Expenditure Accounts Basis)

Year	Federal Transfers ²			Provincial Transfers		Local Government Transfers	
	As % of Total Federal Revenues	To Provinces as % of Provincial Revenues	To Local Government as % of Total Local Revenues	As % of Total Provincial Revenues	To Local Government as % of Total Local Revenues	To Hospitals as % of Hospital Revenue	As % of Total Local Revenues
1950	8.3	20.4	.1	13.9	20.8	-	1.3
1953	8.6	25.7	.2	15.2	20.7	-	1.3
1956	8.5	23.0	.6	17.5	22.7	-	1.1
1959	14.3	28.5	1.0	20.0	26.7	-	1.0
1962	16.2	24.6	1.3	41.7	32.7	92.1	.9
1965	15.7	21.4	1.8	40.5	34.6	92.9	.9
1968	19.4	22.2	1.5	39.0	37.6	93.8	1.1
1971	25.1	26.4	1.1	37.5	41.9	94.6	.8
1974	20.9	23.7	1.4	35.4	45.7	95.3	.4

¹ Including capital consumption allowances.

² Transfers to Provinces from 1950 to 1959 include Federal payments under the Tax Rental Agreement and the Tax Sharing Arrangements.

Source: Statistics Canada, National Income and Expenditure Accounts 1926-1974.

7. Composition of Intergovernmental Transfers

Governments employ two types of intergovernmental transfers, namely; specific purpose (or conditional) transfers and general purpose (or unconditional) transfers. In general, governments have made considerably more use of specific purpose transfers than general purpose transfers. The composition and direction of intergovernmental transfers are shown in Tables 9 and 10 and Table 18 to 21 for the period 1969/70 - 1974/75 employing the financial management statistics.¹

(a) Federal transfers to provinces and local governments.

As shown in Table 9, in the fiscal year 1974/75, federal general purpose transfers constituted 9.0% of total provincial revenue, while specific purpose transfers constituted 14.0%. These transfers have fluctuated over the 1969/70 - 1974/75 period with general purpose transfers increasing since 1972/73 and specific purpose transfers decreasing as a percentage of total provincial revenue.

Federal general purpose transfers to provinces consist primarily of equalization payments which accounted for approximately 70% of the transfers between 1969/70 and 1973/74 (Table 18). Developments in 1974/75, however, reduced this amount to 60.4% for the year. Of course, not all provinces receive equalization payments as shown in Table 19. Equalization payments accounted for approximately one-quarter of the revenues of the Maritime provinces and for about 10% of the revenue of the province of Quebec, Manitoba, and Saskatchewan in 1974/75.

¹ See Appendix B, Table B-49 to B-52 for more statistics on intergovernmental transfers.

For those provinces not in receipt of equalization payments, federal general purpose transfers have been a relatively insignificant source of revenue.

Federal general purpose transfers to local governments take the form of grants in lieu of taxes, which are shown in Table 10. They amounted to approximately .5% of local revenues during the 1969-1974 period.

Federal specific purpose transfers are directed primarily to four programs which absorbed 87.8% of these transfers in 1974/75. Of these transfers 33.8% went to hospitals, 20.5% to medical care, 17.5% to social welfare, and 13.0% to post-secondary education.¹ The concentration of these transfers in the three functional areas of health, social services, and education is also shown in Table 20. In 1974/75, of the provincial expenditures in these three functions, federal specific purpose transfers absorbed 28.7% of the expenditure on health, 16.3% of the expenditure on social services, and 9.5% of provincial education expenditures. Since 1969/70, however, specific purpose transfers have absorbed a declining portion of provincial expenditures on education. This trend also holds true for health and social services since 1972/73.

Federal specific purpose transfers to local governments have been relatively small, averaging less than 1% of local expenditure and have been concentrated in four functions, namely, transportation and communications, recreation and culture, environment, and housing.

¹ See Appendix B, Table B-50.

Table 18
Federal General Purpose Transfers¹ 1969/70 to 1974/75
(in millions of dollars and percentage of total transfers)

Type of Transfer	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Statutory subsidies	32	52	34	34	34	34
Share of Corporation income tax on privately owned utilities	24	24	25	81	26	27
Share of Estate tax	34	62	66	12	-	4
Equalization	678	925	1021	1137	1418	1702
Established Programmes (Interim Arrangement Act)	165	186	281	237	207	275
Other	17	34	62	75	271 ^a	686 ^a
Sub-Total	950	1263	1489	1576	1959	2744
Grants in Lieu of Taxes						
Provincial	2	2	2	3	2	3
Municipal	47	52	55	60	63	68
School	1	2	2	1	2	3
Sub-Total	50	56	59	64	67	73
Total Transfers	1000	1319	1548	1640	2026	2817
	100.0	100.0	100.0	100.0	100.0	100.0

¹ To Province, Municipalities and Territories, as reported by the Federal Government

^a Includes the following:
Tax Revenue Guarantee: 1973/74 - \$43 mil;
1974/75 - \$475 mil;
Oil Export Tax Share: 1973/74 - \$143 mil;
1974/75 - \$111 mil.

Source: Tri-Level Task Force on Public Finance

Table 19
Federal General Purpose Transfers¹ as Percentage of Government Revenues 1969/70 to 1974/75

Year	As % of Federal Total Revenue	Federal General Purpose Transfers Received by Provinces as Percentage of Provincial Revenues									
		Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
	Equal. ² Other	Equal.Other	Equal.Other	Equal.Other	Equal.Other	Equal.Other	Equal.Other	Equal.Other	Equal.Other	Equal.Other	Equal.Other
1969/70	4.3 1.8	26.8 3.4	24.6 1.4	20.7 1.4	20.8 .8	9.8 5.1	- .9	7.5 1.6	2.1 1.2	- 1.7	- .2
1970/71	5.5 1.8	24.7 3.0	24.7 1.2	19.9 1.5	17.0 .7	12.2 4.6	- .8	7.0 1.2	7.4 1.1	- 1.4	- .1
1971/72	5.7 2.2	27.2 2.7	22.4 1.0	22.2 1.8	21.3 .8	10.0 6.0	- .7	8.3 1.1	16.7 .8	- 1.3	- .2
1972/73	4.9 1.7	23.9 2.7	21.1 1.8	19.2 .6	20.4 .4	8.1 4.4	- .8	10.7 .6	18.4 .5	- 1.6	- .3
1973/74	5.7 1.3	27.4 2.1	24.3 1.0	24.7 .5	21.4 .6	9.2 3.3	- .6	13.0 .7	19.7 1.4	- 4.0	- .3
1974/75 ^a	5.4 2.6	26.4 3.1	25.2 2.5	24.0 1.1	22.5 2.3	10.7 4.8	- .8	11.5 3.2	9.0 4.0	- 6.5	- .3

¹ Transfers as reported by Province.

² "Equal." is an abbreviation of "Equalization".

^a The increase in "Other" Unconditional transfers for 1974/75 for most Provinces is the result of payments under the Tax Revenue Guarantee provision of the Federal-Provincial Fiscal Arrangements Act.

Source: Tri-Level Task Force on Public Finance

Table 20
Specific Purpose Transfers Received by Provinces¹ from the Federal Government
By Major Function, 1969/70 to 1974/75
(in millions of dollars and percentage of provincial government expenditure)

Function	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	% of expend.	% of expend.	% of expend.	% of expend.	% of expend.	% of expend.
General government	3	30	57	56	44	81
Transporation and communication	61	72	43	73	92	123
Health ²	886	1181	1486	1671	1772	2009
Social Services	292	385	458	474	523	651
Education	422	556	551	557	574	631
Natural Resources	21	19	20	18	31	52
Agriculture, Trade, etc	26	20	22	25	50	48
Supervision & Development of Regions	7	58	112	77	34	79
Other	11	21	23	18	34	61
Total	1729	2342	2772	2969	3154	3735
	13.7	15.6	15.8	15.5	14.2	13.4

¹ Transfers as reported by the Provinces

² Does not include the abatement points granted Quebec in lieu of conditional grants.

Source: Tri-Level Task Force on Public Finance

(b) Provincial transfers to local governments.

Provincial transfers to local governments primarily take the form of specific purpose transfers. As shown in Table 10 provincial specific purpose transfers in 1974/75 constituted 42.4% of local government revenue, whereas general purpose transfers accounted for only 5.9% of local revenue. Since 1969, however, there has been a slight tendency for general purpose transfers to increase relative to specific purpose transfers from about 10% of total provincial transfers to 12% by 1974.

The bulk of provincial specific transfers are for education. In 1974, 69.3% of these transfers were for education. Of the remainder, 8.7% went to transportation and communications, 9.1% to health, and 6.2% to social services.¹

As illustrated in Table 21, provincial specific purpose transfers to local governments financed a large proportion of local expenditures in health, social services, and education. Furthermore, since 1969 the provinces have absorbed an increasing proportion of local expenditures on education, recreation and culture, environment, and housing through transfers. Provincial transfers financed 56.3% of local expenditures on social services in 1969 and 62.3% in 1974. In education, transfers financed 52.3% of local expenditures in 1969 and 66.1% in 1974.

In the functions of recreation and culture, environment, and housing transfers as a percentage of local expenditures increased

¹ See Appendix B, Table B-52.

from 5.0% to 11.8%, 4.4% to 11.5%, and 16.7% to 63.3% respectively between 1969 and 1974. The proportion of local expenditures on health and social services financed by the provinces through transfers has fluctuated along a generally declining trend for health (since 1971) and an upward trend for social services.

Table 21
Specific Purpose Transfers Received by Local Governments¹ by Functions, 1969-1974
(in millions of dollars and percentage of local government expenditure)

Function	1969	1970	1971	1972	1973	1974
	\$	\$	\$	\$	\$	\$
	% of	% of	% of	% of	% of	% of
	expend.	expend.	expend.	expend.	expend.	expend.
Protection	19	27	11	13	26	47
	3.8	4.6	1.7	1.7	3.2	5.0
Transportation and Communication	256	291	304	302	348	432
	27.9	29.6	26.8	25.1	25.4	26.2
Health ²	288	334	384	393	383	440
	73.1	77.7	82.6	78.3	73.0	74.8
Social Services ²	116	174	226	268	268	299
	56.3	58.2	62.4	61.6	67.5	62.3
Education ³	1926	2275	2645	2812	2986	3356
	52.3	56.3	59.9	61.1	65.8	66.1
Recreation and Culture	13	13	36	41	56	80
	5.0	3.9	8.6	8.0	10.2	11.8
Environment	24	29	47	58	62	114
	4.4	5.4	7.0	7.7	7.9	11.5
Housing	7	4	52	45	69	105
	16.7	9.8	51.5	44.1	56.6	63.3
Other	20	19	39	89	68	91
	2.2	1.9	3.4	7.0	4.9	5.7
Total	2668	3161	3743	4021	4266	4965
	35.8	38.4	40.1	39.7	40.6	40.8

¹ Transfers from Federal and Provincial Governments as reported by Local Governments

² This function is primarily the responsibility of the Provincial governments in Quebec, Prince Edward Island, New Brunswick and Newfoundland.

³ This function is primarily the responsibility of the Provincial governments in New Brunswick and Newfoundland.

Source: Tri-Level Task Force on Public Finance

8. Conclusion

The objective of this study was to examine the relative financial position of and fiscal relationships between federal, provincial, and local governments, based on a trend analysis of government revenues, expenditures, and intergovernmental transfer payments. The study presented the statistics and traced and analyzed the various trends judged to be the most relevant and significant. The budget balance for each level of government was shown for the period 1950-1974. Trends in the growth and composition of revenues and expenditures were examined for each level of government, as well as for provincial-local governments combined, and comparisons were made between levels of government. Trends in the relative shares of revenues and expenditures between governments were also examined and intergovernmental transfers were analyzed. The effects of developments in intergovernmental financial relations on these trends were noted.

The analysis focussed on the three levels of government with a minimum of disaggregation of the data by province or interprovincial comparison. Further research on revenues, expenditures and intergovernmental transfers, particularly at the provincial and local levels, could be the subject of continuing study with detailed analysis of the data by province.

Appendix A

A Note on the Statistics

Appendix A

A Note on the Statistics

The two systems of accounts or statistics used in this study are,

- (i) the government sector of the system of national accounts, and
- (ii) the system of government financial management statistics.

The two systems serve different purposes and therefore there are a number of conceptual and classification differences in their treatment of certain government transactions. Among the major differences are the following:¹

1. The treatment of government enterprises. In the national income and expenditure accounts system, government enterprises are shown in the business sector and not in a category of their own as they are for purposes of the financial management series. Furthermore, some operations are classified as government enterprises for one system but not for the other. The post office, for example, is treated as a government enterprise in the national accounts and its expenditures are excluded from government expenditure. In the financial management series the Post Office is treated as an integral part of government.
2. The treatment of hospitals. The government sector of the national accounts includes local government hospitals, provincial general hospitals

¹ For a detailed explanation of the conceptual, classification, and other differences between the two systems, see Statistics Canada, The Canadian System of Government Financial Management Statistics, part VIII, September 1972.

and other non-government public hospitals, whereas the financial management series includes only government owned and operated hospitals. Transfers to public hospitals are treated as transfers to other levels of government in the national accounts system, in which public hospitals are regarded as a subsector of government. In the financial management series, public hospitals are regarded as an integral part of government and transfer payments to them are treated as expenditures on goods and services.

3. Intergovernmental transfers. In the national accounts, transfers are recorded as the amounts having been remitted by paying governments, whereas the financial management series records transfers as the amounts reported by receiving governments.

4. Transactions involving land and used fixed assets. The purchase and sale of land and existing assets does not affect gross national output and is therefore excluded from the national accounts. The financial management series, on the other hand, includes these transactions by government in government revenues and expenditures.

5. The corporation income tax. The national accounts system employs the accrual method of accounting in which tax is recorded as revenue when the tax liability is incurred. The financial management series measures government transactions on a cash basis and takes into account collections of the corporation income tax as they are made.

6. Canada and Quebec Pension Plans. Both systems of accounts treat these pension plans as parts of government. The financial management series, however, integrates the plans with the government whereas the

national accounts sets them out as separate government subsectors.

7. Current and capital transactions. There is no distinction between current and capital expenditures in the financial management series. The cost of assets is written off at the time of purchase and there is no provision for their depreciation. The national accounts, however, shows gross capital formation (outlays for new buildings, machinery, equipment, etc.) as a separate item. A capital consumption allowance representing depreciation of government assets is included in current expenditure, but is balanced by its inclusion in revenue as a provision for the use by government of its own capital assets.

The data on the government sector of the national accounts presented in the tables in the study are those published by Statistics Canada in National Income and Expenditure Accounts (historical and annual). The data based on the financial management series¹ may differ slightly from published data to the extent that they have been examined and altered by the Tri-Level Task Force on Public Finance. The data from the national accounts is presented on a calendar year basis. The data from the financial management series is presented on a fiscal year basis for the federal and provincial governments and on a calendar year basis for local governments.

¹ This series includes the following publications by Statistics Canada relevant to this study: Federal Government Finance, (Cat. No. 68-211); Provincial Government Finance - Revenue and Expenditures (Estimates) (Cat. No. 68-205); Provincial Government Finance - Revenue and Expenditures (Cat. No. 86-207); Local Government Finance - Revenue and Expenditure - Preliminary and Estimates (Cat. No. 68-203); Local Government Finance (Cat. No. 68-204).

In the tables the dollar figures have been rounded to the nearest millions of dollars. The percentages figures have also been rounded and may not necessarily add up to the totals shown. The differences, however, will not be significant.

Appendix B

Supplementary Statistics on Government Revenues,
Expenditures and Intergovernmental Transfer Payments

Table B-1
Total Government Revenues and Expenditures¹
and Deficit (-) or Surplus Position 1950-1974
(National Income and Expenditure Accounts Basis)

Year	Revenues ²	Expenditures	Deficit (-) or Surplus
	(millions of dollars)		
1950	4634	4080	554
1951	6053	5227	826
1952	6662	6605	57
1953	6895	6812	83
1954	6819	7091	- 272
1955	7458	7498	- 40
1956	8496	8224	272
1957	8887	8906	- 19
1958	8868	9946	-1078
1959	10046	10647	- 601
1960	10710	11380	- 670
1961	11365	12200	- 835
1962	12491	13197	- 706
1963	13308	13932	- 624
1964	15004	14905	99
1965	16761	16554	207
1966	19526	19101	425
1967	21976	21828	148
1968	24974	24472	502
1969	29141	27226	1915
1970	31954	31148	806
1971	35316	35207	109
1972	39718	39746	- 28
1973	45759	44566	1193
1974	56971	55043	1928

¹ Excludes Intergovernmental Transfers. Includes revenues and expenditures of the Federal, Provincial, and local governments, the CPP and QPP, and Hospitals.

² Includes Capital Consumption Allowances.

Source: National Income and Expenditure Accounts 1926-1974

Table B-2
Federal Government Revenues and Expenditures
and Surplus or Deficit Position 1950-1974
(National Income and Expenditure Accounts Basis)

Year	Total Revenues ¹	Total Expenditures ²	Surplus or Deficit (-)
	(millions of dollars)		
1950	3020	2370	650
1951	4165	3194	971
1952	4687	4492	195
1953	4809	4658	151
1954	4608	4654	- 46
1955	5008	4806	202
1956	5698	5100	598
1957	5672	5422	250
1958	5409	6176	- 767
1959	6139	6478	- 339
1960	6517	6746	- 229
1961	6779	7189	- 410
1962	6979	7486	- 507
1963	7323	7609	- 286
1964	8355	8010	345
1965	9095	8551	544
1966	9984	9753	231
1967	10906	10990	- 84
1968	12218	12229	- 11
1969	14490	13469	1021
1970	15528	15262	266
1971	17240	17385	- 145
1972	19518	20118	- 600
1973	22638	22416	222
1974	29353	28760	593

¹ Includes Capital Consumption Allowances.

² Includes transfers to other levels of government.

Source: National Income and Expenditure Accounts 1926-1974.

Table B-3
Provincial Government Revenues and Expenditures
and Surplus or Deficit Position 1950-1974
 (National Income and Expenditure Accounts Basis)

Year	Total Revenues ¹	Total Expenditures ²	Surplus or Deficit (-)
	(millions of dollars)		
1950	1226	1230	- 4
1951	1412	1408	4
1952	1503	1442	61
1953	1588	1481	107
1954	1660	1607	53
1955	1842	1814	28
1956	2072	2116	- 44
1957	2391	2375	16
1958	2627	2677	- 50
1959	3101	3114	- 13
1960	3319	3532	-213
1961	3664	3945	-281
1962	4421	4477	- 56
1963	4773	4872	- 99
1964	5406	5487	- 81
1965	6328	6328	0
1966	7375	7549	-174
1967	8733	9067	-334
1968	10286	10342	- 56
1969	11971	11652	319
1970	13895	14124	-229
1971	16008	16488	-480
1972	17746	18436	-690
1973	20362	20492	-130
1974	25267	24857	410

¹ Includes transfers received from other levels of government.

² Includes transfers to other levels of government

Source: National Income and Expenditure Accounts 1926-1974.

Table B-4

Local Government Revenues and Expenditures
and Surplus or Deficit Position 1950-1974
(National Income and Expenditure Accounts Basis)

Year	Total Revenues ¹	Total Expenditures ²	Surplus or Deficit (-)
	(millions of dollars)		
1950	821	913	- 92
1951	945	1094	-149
1952	1068	1267	-199
1953	1167	1342	-175
1954	1255	1534	-279
1955	1407	1677	-270
1956	1591	1873	-282
1957	1825	2110	-285
1958	2057	2318	-261
1959	2332	2581	-249
1960	2599	2827	-228
1961	2856	2984	-128
1962	3249	3384	-135
1963	3486	3684	-198
1964	3738	3879	-141
1965	4160	4527	-367
1966	4824	5151	-327
1967	5420	5757	-337
1968	6012	6448	-436
1969	6662	7204	-542
1970	7630	8100	-470
1971	8323	8849	-526
1972	9180	9427	-247
1973	9952	10267	-315
1974	11121	12054	-933

¹ Includes transfers received from other levels of government.

² Includes transfers to other levels of government and gross capital formation.

Source: National Income and Expenditure Accounts, 1926-1974

Table B-5

Hospital Revenues and Expenditures
and Surplus or Deficit Position 1961-1974
(National Income and Expenditure Accounts Basis)

Year	Total Revenues	Total Expenditures	Surplus or Deficit (-)
	(millions of dollars)		
1961	763	779	- 16
1962	849	857	- 8
1963	912	953	- 41
1964	1030	1054	- 24
1965	1206	1176	30
1966	1375	1389	- 14
1967	1621	1605	16
1968	1866	1864	2
1969	2115	2111	4
1970	2441	2395	46
1971	2653	2671	- 18
1972	3067	2931	136
1973	3258	3311	- 53
1974	4063	3981	82

Source: Statistics Canada, National Income and Expenditure Accounts, 1926-1974.

Table B-6
Expenditures and Revenues and Surplus or Deficit Position of the CPP and QPP 1966-1974
(National Income and Expenditure Accounts Basis)

(millions of dollars)

Year	CPP			QPP		
	Revenues	Expenditure	Surplus or Deficit (-)	Revenues	Expenditure	Surplus or Deficit (-)
1966	536	11	525	188	4	184
1967	661	10	651	243	7	236
1968	766	25	741	274	12	262
1969	866	55	811	324	22	302
1970	966	98	868	361	36	325
1971	1087	149	938	391	51	340
1972	1203	215	988	454	69	385
1973	1346	281	1065	529	125	404
1974	1702	392	1310	616	150	466

Source: Statistics Canada, National Income and Expenditure Accounts, 1926-1974.

Table B-7

Total Government Revenues as a Percentage of GNP Including and Excluding Intergovernmental Transfers 1950-1974
(National Income and Expenditure Accounts Basis)

Year	GNP (\$ million)	Federal ^{a,b}	Provincial		Local		Hospitals		CPP QPP	Total ^b Excluding Transfers
			Including ^a Transfers	Excluding ^b Transfers	Including ^a Transfers	Excluding ^b Transfers	Including ^a Transfers	Excluding ^b Transfers		
1950	18491	16.3	6.6	5.2	4.4	3.5				25.1
1953	25833	18.6	6.1	4.5	4.5	3.6				26.7
1956	32058	17.8	6.5	4.9	5.0	3.8				26.5
1959	36846	16.7	8.4	6.0	6.3	4.6				27.3
1962	42927	16.3	10.3	7.7	7.6	5.0	2.0	.1		29.1
1965	55364	16.4	11.4	8.9	7.5	4.8	2.2	.1		30.3
1968	72586	16.8	14.2	11.0	8.3	5.0	2.6	.1	1.4	34.4
1971	93462	18.4	17.1	12.6	8.9	5.1	2.8	.1	1.6	37.8
1974	140880	20.8	17.9	13.6	7.9	4.2	2.9	.1	1.6	40.4

^a Transfers received from other levels of government are included in the revenues of the recipient government and are also included in the revenues of the transferring government.

^b Own source revenue.

Source: Statistics Canada, National Income and Expenditure Accounts, 1926-1974.

Table B-8
Total Government Expenditures as a Percentage of GNP Including and Excluding Intergovernmental Transfers 1950-1974
(National Income and Expenditure Accounts Basis)

Year	GNP (\$ million)	Federal		Provincial		Local		Hospitals	CPP QPP	Total Excluding Transfers ^c
1950	18491	12.8	11.5	6.7	5.7	4.9	4.9	-	-	22.1
1953	25833	18.0	16.4	5.7	4.8	5.2	5.1	-	-	26.4
1956	32058	15.9	14.4	6.6	5.5	5.8	5.8	-	-	25.7
1959	36846	17.6	15.2	8.5	6.8	7.0	6.9	-	-	28.9
1962	42927	17.4	14.8	10.4	6.1	7.9	7.8	2.0	-	30.7
1965	55364	15.4	12.9	11.4	6.8	8.2	8.1	2.1	-	29.9
1968	72586	16.8	13.6	14.2	8.7	8.9	8.8	2.6	.1	33.7
1971	93462	18.6	14.0	17.6	11.2	9.5	9.4	2.8	.2	37.7
1974	140880	20.4	16.1	17.6	11.3	8.6	8.5	2.8	.4	39.1

^a Includes transfers paid to other levels of government.

^b Includes transfers paid to other levels of government as well as the spending of transfers received from other levels of government.

^c Transfers paid to other levels of government are excluded from the expenditures of the transferring government and are treated as expenditures of the receiving government.

Source: Statistics Canada, National Income and Expenditure Accounts 1926-1974.

Table B-9

Growth of Consolidated Provincial-Local Revenues and Expenditures
by Province, 1969/70 - 1974/75

Annual Percentage Change

Year	All Provinces		Newfoundland		Prince Edward Island		Nova Scotia		New Brunswick		Quebec		Ontario		Manitoba		Saskatchewan		Alberta		British Columbia	
	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.
1969/70																						
1970/71	14.2	15.6	13.1	17.1	19.2	21.5	7.3	9.8	13.3	25.2	21.1	17.1	13.2	18.0	20.7	15.6	7.3	5.8	7.0	12.8	9.8	7.9
1971/72	10.9	14.9	22.8	42.2	16.1	16.7	18.0	12.0	16.1	7.4	13.3	18.5	6.7	11.6	8.2	12.9	10.9	9.1	13.0	14.8	13.8	18.2
1972/73	11.7	9.7	7.1	-3.8	12.0	11.6	12.7	11.3	11.2	14.1	11.1	11.2	11.7	8.2	14.7	14.3	12.2	10.6	12.3	5.0	12.4	14.8
1973/74	15.6	11.2	17.8	15.9	18.2	20.8	20.3	16.4	22.6	16.9	13.9	7.6	11.4	10.5	10.9	8.2	19.0	14.9	28.3	13.7	22.0	17.3
1974/75	23.3	25.6	25.8	26.8	18.2	6.6	15.6	20.6	12.1	21.2	20.6	25.4	18.5	21.6	17.7	27.0	33.2	27.8	54.3	35.4	23.7	34.1

Source: Tri-Level Task Force on Public Finance

Table B-10
Federal Government Revenues by Source (National Income and Expenditure Accounts Basis)
(in millions of dollars and percentage of total revenue)

Revenue Source	1950		1956		1962		1968		1974	
	\$	%	\$	%	\$	%	\$	%	\$	%
Taxes										
Income:										
Personal income	612	20.3	1461	25.6	1994	28.6	4167	34.1	11141	37.9
Corporation income	847	28.0	1353	23.7	1293	18.5	2088	17.1	4598	15.7
Government and Business Enterprises	-	-	11	.2	21	.3	19	.2	20	.1
Withholding Taxes	54	1.8	69	1.2	125	1.8	209	1.7	430	1.5
Total	1513	50.1	2894	50.8	3433	49.2	6483	53.1	16189	55.2
Excises										
Excise duties	226	7.5	267	4.7	379	5.4	503	4.1	730	2.5
Excise taxes	620	20.5	1131	19.8	1369	19.6	2494	20.4	5969	20.3
Total	846	28.0	1398	24.5	1748	25.0	2997	24.5	6699	22.8
Custom Import Duties	257	8.5	545	9.6	636	9.1	740	6.1	1780	6.1
Succession Duties and Estate Taxes	35	1.2	88	1.5	93	1.3	112	.9	9	-
Employee Pension Plan Levies	41	1.4	177	3.1	233	3.3	447	3.6	815	2.8
Unemployment Insurance Contributions	118	3.9	184	3.2	285	4.1	399	3.3	1542	5.3
Miscellaneous Taxes	12	.4	27	.5	16	.2	24	.2	16	-
Other transfers from Persons	7	.2	1	-	1	-	4	-	7	-
Total Tax Revenue	2829	93.7	5314	93.3	6445	92.3	11206	91.7	27057	92.2
Investment Income	133	4.4	296	5.2	410	5.9	821	6.7	1946	6.6
Capital Consumption Allowances	58	1.9	88	1.5	124	1.8	191	1.6	350	1.2
TOTAL REVENUE	3020	100.0	5698	100.0	6979	100.0	12218	100.0	29353	100.0

Source: Statistics Canada, National Income and Expenditure Accounts, 1926-1974.

Table B-11
Provincial Government Revenues by Source (National Income and Expenditure Accounts Basis)
(in millions of dollars and percentage of total revenue)

Revenue Source	1950		1956		1962		1968		1974	
	\$	%	\$	%	\$	%	\$	%	\$	%
Taxes:										
Income Taxes: ¹										
Personal Income	-	-	35	1.7	322	7.3	1755	17.1	5036	19.9
Corporation Income	146	11.9	79	3.8	439	9.9	745	7.2	1850	7.3
Total	146	11.9	114	5.5	761	17.2	2500	24.3	6886	27.3
Retail Sales Tax	87	7.1	191	9.2	530	12.0	1483	14.4	3722	14.7
Gasoline Tax	158	12.9	290	14.0	473	10.7	905	8.8	1427	5.6
Profits of Liquor Commission	111	9.1	152	7.3	213	4.8	379	3.7	758	3.0
Succession Duties	31	2.5	58	2.8	72	1.6	118	1.1	169	.7
Employer-Employee Contributions to										
Employee Pension Plans	71	5.8	124	6.0	181	4.1	321	3.1	701	2.8
Miscellaneous Taxes	117	9.5	153	7.4	242	5.5	521	5.1	984	3.9
Hospital and Medical Premiums	18	1.5	7	.3	122	2.7	367	3.6	696	2.8
Motor Vehicle Licenses ²	66	5.4	125	6.0	186	4.2	286	2.8	493	1.9
Other Transfers from Persons	9	.7	18	.9	23	.5	47	.5	102	.4
Total Tax Revenue	814	66.4	1232	59.4	2803	63.4	6927	67.3	15938	63.1
Transfers from Governments:										
Federal	250	20.4	476	23.0	1090	24.6	2280	22.2	5994	23.7
Local	11	.9	18	.9	15	.3	40	.4	31	.1
Total	261	21.3	494	23.9	1105	24.9	2320	22.6	6025	23.8
Investment Income ³	89	7.3	221	10.7	341	7.7	720	7.0	2640	10.4
Capital Consumption Allowances	62	5.0	125	6.0	172	3.9	319	3.1	664	2.6
TOTAL REVENUE	1226	100.0	2072	190.0	4421	100.0	10286	100.0	25267	100.0

¹ Data is comparable only from 1962.

² Personal and Commercial Use.

³ Includes Royalties.

Source: Statistics Canada, National Income and Expenditure Accounts 1926-1974

Table B-13

Hospital Revenues by Source
(National Income and Expenditure Accounts Basis)

(in millions of dollars and percentage of total revenue)

Revenue Source	1962		1968		1974	
	\$	%	\$	%	\$	%
Transfers from Persons	3	.4	3	.2	4	.1
Transfers from Government:						
Provincial	782	92.1	1750	93.8	3872	95.3
Local	13	1.5	24	1.3	20	.5
Total	795	93.6	1774	95.1	3892	95.8
Investment Income	2	.2	4	.2	6	.1
Capital Consumption Allowances	49	5.8	85	4.5	161	4.0
Total Revenues	849	100.0	1866	100.0	4063	100.0

Source: Statistics Canada, National Income and Expenditure Accounts, 1926-1974.

Table B-14

Revenues of CPP and QPP by Source
(National Income and Expenditure Accounts Basis)

(in millions of dollars and percentage of total revenue)

Revenue Source	1968		1974	
	\$	%	\$	%
<u>Canada Pension Plan</u>				
Employer-Employee Contributions	686	89.6	1204	70.7
Investment Income	80	10.4	498	29.3
Total Revenues	766	100.0	1702	100.0
<u>Quebec Pension Plan</u>				
Employer-Employee Contributions	239	87.2	405	65.7
Investment Income	35	12.8	211	34.3
Total Revenues	274	100.0	616	100.0

Source: Statistics Canada, National Income and Expenditure Accounts, 1926-1974.

Table B-15

Federal, Provincial and Local Government Revenues and Expenditures
Per Capita for the Fiscal Year 1974/75

	<u>Population</u> ¹ (thousands)	<u>Per Capita</u> <u>Revenues</u> (Own-Source Revenue)	<u>Per Capita</u> <u>Revenues</u> (including transfers)	<u>Per Capita</u> <u>Expenditures</u> (including transfers)
		\$	\$	\$
<u>Federal</u>	22,574	1,396	1,396	1,356
<u>Provincial</u>				
Newfoundland	545	609	1,299	1,455
Prince Edward Island	117	641	1,393	1,282
Nova Scotia	816	625	1,113	1,103
New Brunswick	668	599	1,153	1,256
Quebec	6,153	1,012 ^a	1,333	1,351
Ontario	8,143	915	1,108	1,208
Manitoba	1,013	740	1,092	1,165
Saskatchewan	909	1,015	1,400	1,172
Alberta	1,732	1,587	1,897	1,380
British Columbia	2,421	1,002	1,210	1,210
Total	22,517	970	1,260	1,260
<u>Local in</u>				
Newfoundland	as	48	79	92
Prince Edward Island	above	43	308	333
Nova Scotia		159	417	466
New Brunswick		55	132	175
Quebec		227	466	471
Ontario		275	587	621
Manitoba		269	479	515
Saskatchewan		278	537	562
Alberta		274	599	692
British Columbia		311	523	581
Total		248	506	541

¹ Per capita figures based on population as of October 1974.

^a Quebec receives abatement points on the personal income tax in lieu of conditional grants. The abatements are shown as own-source revenue. Also includes revenues from QPP.

Source: Tri-Level Task Force on Public Finance.
 Statistics Canada, Canadian Statistical Review.

Table B-16

Province of Newfoundland

Revenue by Source, 1969/70 - 1974/75

(in millions of dollars and percentage of total)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes						
Personal Income	19	27	28	35	47	60
Corporation Income	10	8	9	12	16	22
Real and Personal Property	-	-	-	-	-	-
Sales Taxes						
General Sales	37	43	51	59	72	94
Motor Fuel	20	21	23	27	31	32
Tobacco	4	5	5	8	9	11
Other	-	-	-	-	-	-
Sub-Total	61	69	79	94	112	137
Health Insurance Contribution	-	-	-	-	-	-
Workers Compensation Contribution	-	-	-	-	-	-
Other Taxes	4	5	5	6	6	9
	2	2	3	3	5	5
	6	7	7	6	5	5
	19.0	19.0	17.8	19.7	19.9	19.4
Total Tax Revenue	96	110	124	150	186	231
Natural Resources						
Privileges, Licenses, etc.	4	5	6	6	5	7
Sales of Goods and Services	11	12	14	16	18	21
Return on Investments	13	18	22	20	22	25
Remittances from Liquor Boards	6	7	8	11	14	14
Interest	11	12	14	18	20	23
Other	-	-	-	2	1	4
Sub-Total	16	19	22	31	35	41
Other Own Source Revenue	4	5	5	6	9	8
	1.2	1.4	1.1	1.3	1.6	1.1
Total Own Source Revenue	146	170	193	230	275	332
General Purpose Transfers	97	101	132	127	169	209
Specific Purpose Transfers	78	93	119	120	118	167
	24.3	25.5	26.7	25.2	21.0	23.6
Total	321	364	445	477	561	708
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

Table B-17

Province of Prince Edward Island

Revenue by Source, 1969/70 - 1974/75

(in millions of dollars and percentage of total)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes						
Personal Income	3	4	5	6	8	11
Corporation Income	1	1	2	2	2	3
Real and Personal Property	-	-	-	4	6	5
Sales Taxes						
General Sales	7	8	10	13	15	18
Motor Fuel	5	6	6	7	8	8
Tobacco	1	1	1	1	1	1
Other	1	1	1	2	2	2
Sub-Total	14	16	18	23	26	29
%	20.3	18.8	18.4	20.2	19.1	17.8
Health Insurance Contribution	-	-	-	-	-	-
Workers Compensation Contribution	1	1	1	1	1	1
Other Taxes	-	-	-	-	-	-
%	1.4	1.2	1.0	.9	.7	.6
Total Tax Revenue	29	21	26	35	43	50
%	29.0	24.7	26.5	30.7	31.6	30.7
Natural Resources	-	-	1	-	1	-
Privileges, Licenses, etc.	2	2	2	2	3	3
Sales of Goods and Services	5	9	11	12	13	12
Return on Investments						
Remittances from Liquor Boards	3	3	4	3	5	5
Interest	3	3	4	4	4	5
Other	-	-	-	-	-	-
%	4.3	3.5	4.1	2.6	3.7	3.1
%	4.3	3.5	4.1	3.5	2.9	3.1
Sub-Total	6	6	7	7	9	10
%	8.7	7.1	7.1	6.1	6.6	6.1
Other Own Source Revenue	-	-	-	-	-	-
Total Own Source Revenue	32	38	46	57	69	75
%	46.4	44.7	46.9	50.0	50.7	46.0
General Purpose Transfers	18	22	23	26	34	45
Specific Purpose Transfers	20	26	29	31	32	43
%	26.1	25.9	23.5	22.8	25.0	27.6
%	29.0	30.6	29.6	27.2	23.5	26.4
Total	69	85	98	114	136	163
%	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

Table B-18

Province of Nova Scotia

Revenue by Source, 1969/70 - 1974/75

(in millions of dollars and percentage of total revenue)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes						
Personal Income	39	48	57	83	98	131
Corporation Income	13	12	14	19	19	31
Real and Personal Property	-	-	-	-	-	-
Sales Taxes						
General Sales	60	66	74	88	101	112
Motor Fuel	37	40	43	46	51	54
Tobacco	-	-	-	-	-	-
Other	2	2	3	3	2	4
Sub-Total	99	108	120	137	154	170
	22.6	23.1	21.6	21.8	19.8	18.7
Health Insurance Contribution	-	-	-	-	-	-
Workers Compensation Contribution	8	7	7	8	10	12
Other Taxes	2	2	2	2	10	6
	1.8	1.5	1.3	1.3	1.3	1.3
	.5	.4	.4	.3	1.3	.7
Total Tax Revenue	160	177	200	249	292	349
	36.4	37.8	36.0	39.6	37.6	38.4
Natural Resources						
Privileges, Licenses, etc.	2	2	2	2	3	3
Sales of Goods and Services	13	15	16	17	18	20
Return on Investments	13	19	22	20	18	30
Remittances from Liquor Boards						
Interest	24	25	26	32	36	46
Other	31	32	35	43	48	60
Sub-Total	-	-	-	-	-	-
	55	58	61	75	84	106
	12.5	12.4	11.0	11.9	10.8	11.7
Other Own Source Revenue	1	1	2	1	1	2
	.2	.2	.4	.2	.1	.2
Total Own Source Revenue	244	270	302	365	416	510
	55.6	57.7	54.4	58.0	53.5	56.2
General Purpose Transfers	97	100	134	125	196	228
Specific Purpose Transfers	99	97	120	140	165	171
	22.1	21.4	24.1	19.9	25.2	25.1
	22.6	20.7	21.6	22.3	21.2	18.8
Total	439	468	555	629	777	908
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

Table B-19

Province of New Brunswick

Revenue by Source, 1969/70 - 1974/75

(in millions of dollars and percentage of total revenue)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes						
Personal Income	34	40	51	59	81	92
Corporation Income	10	9	11	14	15	26
Real and Personal Property	25	28	31	34	59	40
Sales Taxes						
General Sales	52	55	60	70	85	89
Motor Fuel	29	32	35	38	42	45
Tobacco	5	6	6	6	7	6
Other	1	1	1	1	1	1
Sub-Total	87	98	102	115	135	141
Health Insurance Contribution						
Workers Compensation Contribution						
Other Taxes						
Total Tax Revenue	164	180	204	233	306	314
Natural Resources						
Privileges, Licenses, etc.	5	6	6	6	7	10
Sales of Goods and Services	11	11	13	15	15	16
Return on Investments	11	15	17	17	20	9
Remittances from Liquor Boards	18	19	18	23	25	28
Interest	10	11	12	19	12	14
Other	-	1	1	1	-	-
Sub-Total	28	30	31	42	37	42
Other Own Source Revenue	4	3	5	5	6	9
Total Own Source Revenue	221	245	276	318	390	400
General Purpose Transfers	83	77	111	117	151	190
Specific Purpose Transfers	80	113	119	128	150	180
Total	385	436	506	563	691	770
Source: Tri-Level Task Force on Public Finance						

Table B-20

Province of Quebec
Revenue by Source, 1969/70 - 1974/75
(in millions of dollars and percentage of total revenue)

Revenue Source	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Taxes												
Personal Income	815	22.7	1034	23.1	1174	22.9	1478	25.8	1778	27.0	2347	28.6
Corporation Income	182	5.1	183	4.1	184	3.6	231	4.0	296	4.5	430	5.2
Real and Personal Property	-	-	-	-	-	-	-	-	-	-	-	-
Sales Taxes	532	14.8	590	13.2	643	12.6	752	13.1	861	13.1	1030	12.6
General Sales	281	7.8	322	7.2	321	6.3	344	6.0	383	5.8	393	4.8
Motor Fuel	65	1.8	75	1.7	70	1.4	74	1.3	76	1.2	78	1.0
Tobacco	70	1.9	78	1.7	86	1.7	100	1.7	113	1.7	135	1.6
Other	948	26.4	1065	23.8	1120	21.9	1270	22.2	1433	21.7	1636	19.9
Sub-Total												
Health Insurance Contribution	-	-	-	-	-	-	-	-	-	-	-	-
Workers Compensation Contribution	75	2.1	75	1.7	78	1.5	107	1.9	142	2.2	120	1.5
Other Taxes ¹	376	10.5	425	9.5	512	10.0	577	10.1	626	9.5	667	8.1
Total Tax Revenue	2395	66.6	2780	70.0	3073	60.0	3663	63.9	4276	64.8	5202	63.4
Natural Resources												
Privileges, Licenses, etc.	75	2.1	84	1.9	82	1.6	85	1.5	84	1.3	83	1.0
Sales of Goods and Services	146	4.1	142	3.2	161	3.1	170	3.0	192	2.9	175	2.1
Return on Investments	63	1.8	63	1.4	83	1.6	95	1.7	103	1.6	116	1.4
Remittances from Liquor Boards	75	2.1	77	1.7	137	2.7	103	1.8	119	1.8	138	1.7
Interest	87	2.4	155	3.5	184	3.6	244	4.3	280	4.2	330	4.0
Other	7	.2	35	.8	56	1.1	53	.9	65	1.0	60	.7
Sub-Total	169	4.7	266	5.9	377	7.4	400	7.0	465	7.0	528	6.4
Other Own Source Revenue	42	1.2	40	.9	53	1.0	63	1.1	93	1.4	123	1.5
Total Own Source Revenue	2891	80.4	3374	75.2	3829	74.7	4476	78.1	5213	79.0	6227	75.9
General Purpose Transfers	536	14.9	751	16.7	817	15.9	717	12.5	825	12.5	1270	15.5
Specific Purpose Transfers	171	4.8	360	8.0	477	9.3	540	9.4	558	8.5	707	8.6
Total	3597	100.0	4484	100.0	5123	100.0	5732	100.0	5732	100.0	8203	100.0

¹ Includes levies for the OPP.

Source: Tri-Level Task Force on Public Finance

Table B-21

Province of Ontario
Revenue By Source, 1969/70 - 1974/75
(in millions of dollars and percentage of total revenue)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes						
Personal Income	762	992	1022	1205	1418	1752
Corporation Income	441	357	372	448	530	753
Real and Personal Property	2	2	2	2	2	2
Sales Taxes						
General Sales	645	683	769	895	1315	1569
Motor Fuel	395	412	439	487	547	572
Tobacco	73	77	81	96	100	102
Other	22	21	21	24	29	34
Sub-Total	1135	1193	1310	1502	1991	2226
Health Insurance Contribution						
Workers Compensation Contribution	476	616	587	520	530	548
Other Taxes	135	136	141	170	151	264
	132	157	158	193	251	272
Total Tax Revenue	3084	3451	3592	4039	4872	5867
Natural Resources						
Privileges, Licenses, etc.	75	74	55	63	100	211
Sales of Goods and Services	211	210	227	272	287	302
Return on Investments	99	126	148	225	217	243
Remittances from Liquor Boards						
Interest	137	142	167	189	206	224
Other	212	277	325	327	406	490
Sub-Total	2	1	1	1	5	20
Other Own Source Revenue	352	425	493	517	617	733
	53	54	59	68	79	94
Total Own Source Revenue	3874	4340	4574	5183	6172	7451
General Purpose Transfers						
Specific Purpose Transfers	40	44	41	50	43	70
	721	933	1079	1203	1230	1504
Total	4635	5317	5693	6436	7445	9024
Source: Tri-Level Task Force on Public Finance						

Table B-22

Province of Manitoba
 Revenue by Source, 1969/70 - 1974/75
 (in millions of dollars and percentage of total revenue)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes						
Personal Income	81	116	119	140	160	204
Corporation Income	32	33	34	46	48	78
Real and Personal Property	-	-	-	-	-	-
Sales Taxes	68	68	75	96	118	143
General Sales	44	46	48	51	57	56
Motor Fuel	9	9	9	13	14	14
Tobacco	7	7	7	8	9	10
Other	1.2	1.2	1.0	1.0	1.0	.9
Sub-Total	128	130	139	168	198	223
	22.8	19.7	19.6	20.0	21.0	20.2
Health Insurance Contribution						
Workers Compensation Contribution	45	29	29	30	5	-
Other Taxes	11	14	12	18	14	19
	2.0	2.1	1.7	2.1	1.5	1.7
	4	4	5	6	12	13
	7.7	6.6	7.7	7.7	1.3	1.2
Total Tax Revenue	301	326	339	407	436	536
	53.6	49.3	47.7	48.6	46.2	48.5
Natural Resources						
Privileges, Licenses, etc.	7	11	9	12	28	37
Sales of Goods and Services	20	19	21	23	26	28
Return on Investments	14	19	20	27	27	34
	2.5	2.9	2.8	2.8	3.2	3.1
Remittances from Liquor Boards	24	26	27	33	36	41
Interest	36	50	48	60	66	72
Other	-	-	-	-	-	-
Sub-Total	60	76	75	93	102	112
	10.7	11.5	10.6	11.1	10.8	10.1
Other Own Source Revenue						
	2	2	2	2	3	3
	.4	.3	.3	.2	.3	.3
Total Own Source Revenue	403	453	467	565	624	750
	71.7	68.5	65.8	67.4	66.2	67.8
General Purpose Transfers						
Specific Purpose Transfers	51	53	66	95	130	156
	9.1	8.0	9.3	11.3	13.8	14.1
	107	156	177	179	189	200
	19.0	23.6	24.9	21.4	20.0	18.1
Total	562	661	710	838	943	1106
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

Table B-23

Province of Saskatchewan
Revenue By Source, 1969/70 - 1974/75
(in millions of dollars and percentage of total revenue)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes	64	61	53	75	105	157
Personal Income	12.4	10.8	8.3	10.3	11.6	12.3
Corporation Income	4.4	2.3	1.7	2.7	3.0	3.7
Real and Personal Property	-	-	-	-	-	1
Sales Taxes	65	61	78	79	94	123
General Sales	48	50	53	56	60	47
Motor Fuel	6	6	6	7	7	7
Tobacco	-	-	-	-	-	1
Other	-	-	-	-	-	-
Sub-Total	119	117	137	142	162	178
Health Insurance Contribution	19	18	16	15	7	-
Workers Compensation Contribution	6	6	6	9	14	21
Other Taxes	4	4	4	7	16	27
Total Tax Revenue	234	219	227	269	330	431
Natural Resources	38	40	41	47	68	303
Privileges, Licenses, etc.	16	16	17	18	20	21
Sales of Goods and Services	16	15	16	28	34	30
Return on Investments	20	22	19	15	20	40
Remittances from Liquor Boards	53	52	51	55	59	77
Interest	9	17	11	18	20	9
Other	82	91	81	87	100	127
Sub-Total	5	6	7	8	9	11
Other Own Source Revenue	391	387	389	456	561	923
Total Own Source Revenue	17	48	112	138	192	169
General Purpose Transfers	109	131	139	136	155	182
Specific Purpose Transfers	517	566	640	729	907	1273
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

Table B-24

Province of Alberta
Revenue by Source, 1969/70 - 1974/75

(in millions of dollars and percentage of total revenue)

Revenue Source	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Taxes												
Personal Income	134	12.6	182	16.0	192	14.9	232	15.9	285	14.5	347	10.6
Corporation Income	64	6.0	58	5.1	68	5.3	98	6.7	113	5.7	277	8.4
Real and Personal Property	12	1.1	-	-	-	-	-	-	-	-	-	-
Sales Taxes	-	-	-	-	-	-	-	-	-	-	-	-
General Sales	80	7.5	79	6.9	85	6.6	92	6.3	102	5.2	79	2.4
Motor Fuel	8	.8	13	1.1	13	1.0	13	.9	14	.7	14	.4
Tobacco	2	.2	2	.2	2	.2	2	.1	3	.2	4	.1
Other	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	90	8.5	94	8.2	100	7.8	107	7.3	119	6.0	97	3.0
Health Insurance Contribution												
Workers Compensation Contribution	50	4.7	55	4.8	54	4.2	54	3.7	54	2.7	56	1.7
Other Taxes	22	2.1	24	2.1	25	1.9	26	1.8	33	1.7	50	1.5
	9	.8	8	.7	10	.8	10	.7	13	.7	19	.6
Total Tax Revenue	382	35.9	421	36.9	450	35.0	527	36.2	616	31.3	846	25.7
Natural Resources												
Privileges, Licenses, etc.	269	25.3	247	21.7	288	22.4	352	24.2	599	30.4	1414	43.0
Sales of Goods and Services	32	3.0	34	3.0	36	2.8	40	2.7	45	2.3	44	1.3
Return on Investments	26	2.4	33	2.9	35	2.7	40	2.7	44	2.2	96	2.9
Remittances from Liquor Boards	45	4.2	54	4.7	61	4.7	69	4.7	79	4.0	89	2.7
Interest	78	7.3	85	7.5	95	7.4	94	6.5	112	5.7	177	1.5
Other	1	.1	2	.2	3	.2	5	.3	4	.2	5	.1
Sub-Total	124	11.7	141	12.4	159	12.4	168	11.5	196	9.9	271	8.2
Other Own Source Revenue	24	2.3	24	2.1	26	2.0	34	2.3	88	4.5	78	2.4
Total Own Source Revenue	857	80.6	899	78.9	993	77.2	1160	79.7	1588	80.6	2748	83.6
General Purpose Transfers	18	1.7	16	1.4	17	1.3	23	1.6	79	4.0	213	6.5
Specific Purpose Transfers	188	17.7	225	19.7	277	21.5	273	18.7	305	15.5	326	9.9
Total	1063	100.0	1140	100.0	1287	100.0	1456	100.0	1971	100.0	3286	100.0

Source: Tri-Level Task Force on Public Finance

Table B-25

Province of British Columbia
Revenue By Source, 1969/70 - 1974/75
(in millions of dollars and percentage of total)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes						
Personal Income	191	250	268	316	409	522
Corporation Income	87	89	81	90	137	267
Real and Personal Property	14	18	16	18	18	21
Sales Taxes						
General Sales	210	212	249	280	340	399
Motor Fuel	77	82	110	118	132	149
Tobacco	-	2	19	20	21	21
Other	6	6	10	10	12	11
Sub-Total	293	302	388	428	505	580
	22.1	20.6	23.3	22.8	21.5	19.8
Health Insurance Contribution						
Workers Compensation Contribution	68	74	77	81	85	89
Other Taxes	41	46	56	48	77	103
	29	37	33	36	38	32
	2.2	2.5	2.0	1.9	1.6	1.1
Total Tax Revenue	721	815	917	1016	1268	1615
	54.3	55.7	55.1	54.1	53.9	55.1
Natural Resources						
Privileges, Licenses, etc.	168	134	151	215	357	339
Sales of Goods and Services	42	43	48	54	59	64
Return on Investments	68	71	77	94	107	113
Remittances from Liquor Boards	62	66	85	96	107	118
Interest	58	60	71	86	96	141
Other	-	-	-	-	-	26
Sub-Total	120	126	155	182	203	285
	9.0	8.4	9.3	9.7	8.6	9.7
Other Own Source Revenue	2	3	3	3	4	11
	.2	.2	.2	.2	.2	.2
Total Own Source Revenue	1121	1192	1352	1564	1998	2426
	84.5	81.4	81.2	83.2	84.9	82.8
General Purpose Transfers	2	2	3	6	8	10
Specific Purpose Transfers	204	270	310	308	347	493
	15.4	18.4	18.6	16.4	14.7	16.8
Total	1327	1464	1665	1879	2353	2929
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

Table B-26

Newfoundland Consolidated Provincial-Local Revenue By Source, 1969/70-1974/75
(in millions of dollars and percentage of total revenues)

Revenue Source	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Taxes												
Personal Income	19	5.6	27	7.1	28	6.0	35	7.0	47	8.0	60	8.1
Corporation Income	10	3.0	8	2.1	9	1.9	12	2.4	16	2.7	22	3.0
Real and Personal Property	-	-	-	-	-	-	-	-	-	-	-	-
Provincial	6	1.8	7	1.8	7	1.5	9	1.8	10	1.7	10	1.3
Municipal	1	.3	1	.3	1	.2	1	.2	1	.2	1	.1
School	7	2.1	8	2.1	8	1.7	10	2.0	11	1.9	12	1.6
Sub-Total												
Sales Taxes												
General Sales	37	11.0	43	11.3	51	10.9	59	11.8	72	12.2	94	12.7
Motor Fuel	20	5.9	21	5.5	23	4.9	27	5.4	31	5.3	32	4.3
Other	4	1.2	5	1.3	5	1.1	8	1.6	9	1.5	11	1.5
Sub-Total	61	18.1	69	18.1	79	16.9	94	18.8	112	19.0	137	18.5
Other Taxes	11	3.3	11	2.9	13	2.8	15	3.0	17	2.9	19	2.6
Total Tax Revenue	107	31.8	122	32.0	137	29.3	166	33.1	202	34.2	248	33.4
Natural Resources	4	1.2	5	1.3	6	1.3	6	1.2	5	.8	7	.9
Privileges, Licenses, etc.	12	3.6	13	3.4	14	3.0	17	3.4	18	3.1	21	2.8
Sales of Goods and Services	15	4.5	21	5.5	24	5.1	22	4.4	26	4.4	29	3.9
Return on Investments	16	4.7	20	5.2	22	4.7	31	6.2	35	5.9	41	5.5
Other Own Source Revenue	6	1.8	7	1.8	6	1.3	7	1.4	10	1.7	11	1.5
Total Own Source Revenue	161	47.8	186	48.8	209	44.7	248	49.5	296	50.2	357	48.1
Grants in Lieu of Taxes	-	-	-	-	2	.4	2	.4	1	.2	1	.1
Transfers												
General Purpose	97	28.8	101	26.5	132	28.2	127	25.3	169	28.6	209	28.2
Specific Purpose	78	23.1	93	24.4	125	26.7	124	24.8	124	21.0	175	23.6
Sub-Total	175	51.9	194	50.9	257	54.9	251	50.1	293	49.6	384	51.8
Total Revenue	337	100.0	381	100.0	468	100.0	501	100.0	590	100.0	742	100.0

Source: Tri-Level Task Force on Public Finance

Table B-27

Prince Edward Island Consolidated Provincial-Local Revenue By Source, 1969/70-1974/75
(in millions of dollars and percentage of total revenues)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes						
Personal Income	3	4	5	6	8	11
Corporation Income	1	1	2	2	2	3
Real and Personal Property						
Provincial	-	-	-	4	6	5
Municipal	3	2	2	4	3	3
School	4	4	5	-	-	-
Sub-Total	7	6	7	8	9	8
	9.0	6.5	6.5	6.6	6.3	4.7
Sales Taxes						
General Sales	7	8	10	13	15	18
Motor Fuel	5	6	6	7	8	8
Other	2	2	2	3	3	3
Sub-Total	14	16	18	23	26	29
	17.9	17.2	16.7	19.0	18.2	17.2
Other Taxes						
	2	2	2	1	2	2
	2.6	2.2	1.9	.8	1.4	1.2
Total Tax Revenue	27	28	34	38	46	53
	34.6	30.1	31.5	31.4	32.2	31.4
Natural Resources						
Privileges, Licenses, etc.	-	-	1	-	1	-
Sales of Goods and Services	2	2	2	2	3	3
Return on Investments	6	9	12	14	15	13
Other Own Source Revenue	6	6	7	7	9	10
Total Own Source Revenue	-	-	-	1	-	1
	41	46	56	62	74	80
	52.6	49.5	51.9	51.2	51.7	47.3
Grants in Lieu of Taxes						
Transfers	-	-	-	-	-	-
General Purpose	18	22	23	26	34	45
Specific Purpose	20	26	29	32	34	44
Sub-Total	38	48	52	58	69	89
	48.7	51.6	48.1	47.9	48.3	52.7
Total Revenue	78	93	108	121	143	169
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

Table B-28

Nova Scotia Consolidated Provincial-Local Revenue By Source, 1969/70-1974/75
(in millions of dollars and percentage of total revenues)

Revenue Source	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Taxes												
Personal Income	39	7.3	48	8.4	57	8.4	83	10.9	98	10.7	131	12.4
Corporation Income	13	2.4	12	2.1	14	2.1	19	2.5	19	2.1	31	2.9
Real and Personal Property	-	-	-	-	-	-	-	-	-	-	-	-
Provincial	24	4.5	26	4.5	32	4.7	37	4.9	40	4.4	39	3.7
Municipal	39	7.3	46	8.0	52	7.7	57	7.5	59	6.4	66	6.2
School	63	11.8	72	12.6	84	12.4	94	12.3	99	10.8	105	9.9
Sub-Total												
Sales Taxes												
General Sales	60	11.2	66	11.5	74	10.9	88	11.5	101	11.0	112	10.6
Motor Fuel	37	6.9	40	7.0	43	6.4	46	6.0	51	5.6	54	5.1
Other	2	.4	2	.3	3	.4	3	.4	2	.2	4	.4
Sub-Total	99	18.5	108	18.8	120	17.8	137	18.0	154	16.8	170	16.0
Other Taxes												
Total Tax Revenue	15	2.8	16	2.8	15	2.2	16	2.1	27	2.9	25	2.4
	229	42.9	255	44.5	289	42.8	348	45.7	398	43.4	461	43.5
Natural Resources												
Privileges, Licenses, etc.	2	.4	2	.3	2	.3	2	.3	3	.3	3	.3
Sales of Goods and Services	15	2.8	17	3.0	17	2.5	17	2.2	19	2.1	21	2.0
Return on Investments	19	3.6	27	4.7	33	4.9	34	4.5	28	3.1	41	3.9
Other Own Source Revenue	56	10.5	59	10.3	63	9.3	77	10.1	86	9.4	107	10.1
Total Own Source Revenue	6	1.1	7	1.2	5	.7	5	.7	6	.7	7	.7
	327	61.2	366	63.9	409	60.5	484	63.5	539	58.8	640	60.4
Grants in Lieu of Taxes												
Transfers	8	1.5	8	1.4	9	1.3	10	1.3	12	1.3	12	1.1
General Purpose	97	18.2	100	17.5	133	19.7	125	16.4	196	21.4	228	21.5
Specific Purpose	102	19.1	98	17.1	125	18.5	144	18.9	170	18.5	180	17.0
Sub-Total	199	37.3	199	34.7	258	38.2	268	35.2	366	39.9	408	38.5
Total Revenue	534	100.0	573	100.0	676	100.0	762	100.0	917	100.0	1060	100.0

Source: Tri-Level Task Force on Public Finance

Table B-29

New Brunswick Consolidated Provincial-Local Revenue By Source, 1969/70-1974/75
(in millions of dollars and percentage of total revenues)

Revenue Source	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Taxes												
Personal Income	34	8.4	40	8.7	51	9.6	59	9.9	81	11.1	92	11.3
Corporation Income	10	2.5	9	2.0	11	2.1	14	2.4	15	2.1	26	3.2
Real and Personal Property												
Provincial	25	6.2	28	6.1	31	5.8	34	5.7	59	8.1	40	4.9
Municipal	12	3.0	14	3.0	15	2.8	19	3.2	23	3.2	25	3.1
School	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	37	9.1	42	9.1	46	8.6	53	8.9	82	11.3	65	8.0
Sales Taxes												
General Sales	52	12.8	55	12.0	60	11.2	70	11.8	85	11.7	89	10.9
Motor Fuel	29	7.1	32	7.0	35	6.6	38	6.4	42	5.8	45	5.5
Other	6	1.5	6	1.3	7	1.3	7	1.2	8	1.1	7	.9
Sub-Total	87	21.4	93	20.2	102	19.1	115	19.4	135	18.5	141	17.3
Other Taxes												
Natural Resources	4	1.0	6	1.3	6	1.1	6	1.0	7	1.0	10	1.2
Privileges, Licenses, etc.	12	3.0	12	2.6	13	2.4	15	2.5	15	2.1	17	2.1
Sales of Goods and Services	17	4.2	21	4.6	24	4.5	26	4.4	29	4.0	20	2.5
Return on Investments	28	6.9	30	6.5	32	6.0	43	7.2	38	5.2	42	5.1
Other Own Source Revenue	5	1.2	5	1.1	6	1.1	7	1.2	7	1.0	10	1.2
Total Own Source Revenue	242	59.6	267	58.0	301	56.4	347	58.4	424	58.2	438	53.7
Grants in Lieu of Taxes												
Transfers	2	.5	1	.2	1	.2	-	-	1	.1	-	-
General Purpose	83	20.4	77	16.7	111	20.8	117	19.7	151	20.7	190	23.3
Specific Purpose	80	19.7	115	25.0	122	22.8	130	21.9	152	20.9	189	23.2
Sub-Total	163	40.1	192	41.7	232	43.4	247	41.6	303	41.6	379	46.4
Total Revenue	406	100.0	460	100.0	534	100.0	594	100.0	728	100.0	816	100.0

Source: Tri-Level Task Force on Public Finance

Table B-30

Quebec Consolidated Provincial-Local Revenue By Source, 1969/70-1974/75
(in millions of dollars and percentage of total revenues)

Revenue Source	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Taxes												
Personal Income	815	17.7	1034	18.6	1174	18.6	1478	21.1	1778	22.2	2347	24.3
Corporation Income	182	4.0	183	3.3	184	2.9	231	3.3	296	3.7	430	4.5
Real and Personal Property												
Provincial	412	8.9	441	7.9	389	6.2	451	6.4	502	6.3	558	5.8
Municipal	423	9.2	424	7.6	442	7.0	447	6.4	453	5.7	440	4.6
School	835	18.1	865	15.5	831	13.2	898	12.8	955	11.9	998	10.3
Sub-Total												
Sales Taxes												
General Sales	532	11.6	590	10.6	643	10.2	752	10.7	861	10.8	1030	10.7
Motor Fuel	281	6.1	322	5.8	321	5.1	344	4.9	383	4.8	393	4.1
Other	141	3.1	160	2.9	164	2.6	183	2.6	197	2.5	222	2.3
Sub-Total	954	20.7	1072	19.2	1128	17.9	1279	18.2	1441	18.0	1645	17.1
Other Taxes ¹	513	11.1	593	10.6	679	10.8	760	10.8	848	10.6	868	9.0
Total Tax Revenue	3299	71.7	3746	67.2	3996	63.3	4646	66.2	5319	66.6	6287	65.2
Natural Resources												
Privileges, Licenses, etc.	75	1.6	84	1.5	82	1.3	85	1.2	84	1.1	83	.9
Sales of Goods and Services	156	3.4	153	2.7	170	2.7	179	2.6	201	2.5	184	1.9
Return on Investments	100	2.2	107	1.9	263	4.2	291	4.1	321	4.0	347	3.6
Other Own Source Revenue	182	4.0	279	5.0	386	6.1	411	5.9	482	6.0	538	5.6
Sub-Total	81	1.8	89	1.6	113	1.8	130	1.9	167	2.1	187	1.9
Total Own Source Revenue	3893	84.6	4457	80.0	5010	79.3	5742	81.8	6574	82.3	7625	79.1
Grants in Lieu of Taxes												
Transfers	7	.2	6	.1	7	.1	9	.1	10	.1	11	.1
General Purpose	536	11.6	751	13.5	817	12.9	717	10.2	825	10.3	1270	13.2
Specific Purpose	169	3.7	360	6.5	480	7.6	549	7.8	584	7.3	735	7.6
Sub-Total	704	15.3	1110	19.9	1297	20.5	1266	18.0	1409	17.6	2005	20.8
Total Revenue	4604	100.0	5574	100.0	6314	100.0	7016	100.0	7992	100.0	9641	100.0

¹ Includes contributions to Quebec Pension Plan.

Source: Tri-Level Task Force on Public Finance

Table B-31

Ontario Consolidated Provincial-Local Revenue By Source, 1969/70-1974/75
(in millions of dollars and percentage of total revenues)

Revenue Source	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Taxes												
Personal Income	762	12.0	992	13.8	1022	13.3	1205	14.0	1418	14.8	1752	15.5
Corporation Income	441	6.9	357	5.0	372	4.8	448	5.2	530	5.5	753	6.6
Real and Personal Property												
Provincial	2	-	2	-	2	-	2	-	2	-	2	-
Municipal	518	8.1	588	8.2	676	8.8	763	8.9	877	9.2	943	8.3
School	750	11.8	799	11.1	785	10.2	788	9.2	665	7.0	728	6.4
Sub-Total	1270	20.0	1389	19.3	1463	19.0	1553	18.1	1544	16.1	1673	14.8
Sales Taxes												
General Sales	645	10.1	683	9.5	769	10.0	895	10.4	1315	13.8	1569	13.8
Motor Fuel	395	6.2	412	5.7	439	5.7	487	5.7	547	5.7	572	5.0
Other	95	1.5	98	1.4	102	1.3	120	1.4	129	1.3	136	1.2
Sub-Total	1135	17.8	1193	16.6	1300	16.9	1502	17.5	1991	20.8	2277	20.1
Other Taxes¹												
Total Tax Revenue	909	14.3	1092	15.2	1081	14.1	1092	12.7	1147	12.0	1311	11.6
	4517	71.0	5023	69.8	5249	68.3	5800	67.6	6629	69.3	7765	68.5
Natural Resources												
Privileges, Licenses, etc.	75	1.2	74	1.0	55	.7	63	.7	100	1.0	211	1.9
Sales of Goods and Services	233	3.7	233	3.2	246	3.2	295	3.4	315	3.3	331	2.9
Return on Investments	242	3.8	299	4.2	321	4.2	446	5.2	420	4.4	465	4.1
Other Own Source Revenue	365	5.7	441	6.1	506	6.6	538	6.3	636	6.7	751	6.6
Total Own Source Revenue	121	1.9	109	1.5	127	1.7	131	1.5	147	1.5	169	1.5
	5554	87.3	6178	85.8	6504	84.7	7273	84.7	8247	86.2	9691	85.5
Grants in Lieu of Taxes												
Transfers	29	.5	30	.4	31	.4	32	.4	30	.3	34	.3
General Purpose	40	.6	44	.6	41	.5	50	.6	43	.4	70	.6
Specific Purpose	738	11.6	947	13.2	1106	14.4	1227	14.3	1243	13.0	1538	13.6
Sub-Total	778	12.2	991	13.8	1147	14.9	1278	14.9	1285	13.4	1608	14.2
Total Revenue	6361	100.0	7199	100.0	7681	100.0	8582	100.0	9563	100.0	11333	100.0

¹ Includes Health Insurance Contributions.

Source: Tri-Level Task Force on Public Finance

Table B-32

Manitoba Consolidated Provincial-Local Revenue By Source, 1969/70-1974/75
(in millions of dollars and percentage of total revenues)

Revenue Source	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Taxes												
Personal Income	81	11.3	116	13.4	119	12.7	140	13.1	160	13.5	204	14.6
Corporation Income	32	4.5	33	3.8	34	3.6	46	4.3	48	4.0	78	5.6
Real and Personal Property	-	-	-	-	-	-	-	-	-	-	-	-
Provincial	66	9.2	69	8.0	75	8.0	84	7.8	86	7.2	102	7.3
Municipal	63	8.8	70	8.1	71	7.6	80	7.5	90	7.6	110	7.9
School	129	18.0	139	16.1	146	15.6	164	15.3	176	14.8	212	15.2
Sub-Total												
Sales Taxes												
General Sales	68	9.5	68	7.9	75	8.0	96	9.0	118	9.9	143	10.2
Motor Fuel	44	6.1	46	5.3	88	9.4	51	4.8	57	4.8	56	4.0
Other	16	2.2	17	2.0	17	1.8	22	2.1	23	1.9	26	1.9
Sub-Total	128	17.9	131	15.2	180	19.3	169	15.8	198	16.7	225	16.1
Other Taxes												
	70	9.8	56	6.5	57	6.1	66	6.2	43	3.6	47	3.4
Total Tax Revenue	440	61.5	475	55.0	497	53.2	583	54.4	625	52.6	765	54.7
Natural Resources												
Privileges, Licenses, etc.	7	1.0	11	1.3	9	1.0	12	1.1	28	2.4	37	2.6
Sales of Goods and Services	23	3.2	22	2.5	24	2.6	26	2.4	29	2.4	31	2.2
Return on Investments	34	4.7	41	4.7	54	5.8	52	4.9	55	4.6	63	4.5
Other Own Source Revenue	64	8.9	83	9.6	80	8.6	100	9.3	106	8.9	115	8.3
Total Own Source Revenue	14	2.0	17	2.0	18	1.9	11	1.0	11	.9	11	.8
	583	81.4	649	75.1	681	72.8	784	73.1	854	71.8	1022	73.1
Grants in Lieu of Taxes												
Transfers	7	1.0	7	.8	9	1.0	10	.9	17	1.4	21	1.5
General Purpose	51	7.1	53	6.1	66	7.1	95	8.9	130	10.9	156	11.1
Specific Purpose	106	14.8	154	17.8	178	19.0	183	17.1	188	15.8	200	14.3
Sub-Total	157	21.9	207	24.0	244	26.1	278	25.9	318	26.7	356	25.4
Total Revenue	716	100.0	864	100.0	935	100.0	1072	100.0	1189	100.0	1399	100.0

Source: Tri-Level Task Force on Public Finance

Table B-33
Saskatchewan Consolidated Provincial-Local Revenue By Source, 1969/70-1974/75
(in millions of dollars and percentage of total revenues)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes						
Personal Income	64	61	53	75	105	157
Corporation Income	23	13	11	20	27	47
Real and Personal Property						
Provincial	-	-	-	-	1	1
Municipal	64	67	73	80	82	87
School	84	85	83	84	85	91
Sub-Total	148	152	156	164	168	179
	20.4	19.6	18.1	17.0	14.6	11.7
Sales Taxes						
General Sales	65	61	78	79	94	123
Motor Fuel	48	50	53	56	60	47
Other	6	7	7	7	7	8
Sub-Total	119	118	138	142	161	178
	16.4	15.2	16.0	14.7	14.0	11.6
Other Taxes						
Total Tax Revenue	36	41	39	41	47	64
	5.0	5.3	4.5	4.2	4.1	4.2
	395	385	395	445	512	626
	54.6	49.5	45.8	46.0	44.5	40.8
Natural Resources						
Privileges, Licenses, etc.	38	40	41	47	68	303
Sales of Goods and Services	20	19	19	20	23	24
Return on Investments	40	40	44	62	69	67
Other Own Source Revenue	89	98	90	97	107	135
Total Own Source Revenue	13	14	16	18	20	22
	1.8	1.8	1.9	1.9	1.7	1.4
	595	596	605	688	800	1176
	82.2	76.7	70.2	71.1	69.5	76.7
Grants in Lieu of Taxes						
Transfers	4	4	5	5	5	6
General Purpose						
Specific Purpose	17	48	112	138	192	169
Sub-Total	109	129	140	136	154	183
	15.1	16.6	16.2	14.1	13.4	11.9
Total Revenue	125	177	252	274	346	352
	17.3	22.8	29.2	28.3	30.1	22.9
	724	777	862	967	1151	1533
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

Table B-34

Alberta Consolidated Provincial-Local Revenue By Source, 1969/70-1974/75
(in millions of dollars and percentage of total revenues)

Revenue Source	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%
Taxes						
Personal Income	134	182	192	232	285	347
Corporation Income	64	58	68	98	113	277
Real and Personal Property						
Provincial	12	-	-	-	-	-
Municipal	87	103	119	137	151	181
School	135	135	145	159	159	127
Sub-Total	234	238	264	296	310	308
	16.7	15.8	15.5	15.5	12.7	8.2
Sales Taxes						
General Sales	-	-	-	-	-	-
Motor Fuel	80	79	85	92	102	79
Other	10	15	15	16	16	18
Sub-Total	90	94	100	108	118	97
	6.4	6.3	5.9	5.7	4.8	2.6
Other Taxes						
	102	105	108	111	130	157
	7.3	7.0	6.4	5.8	5.3	4.2
Sub-Total	625	676	733	845	955	1187
	44.5	45.0	43.2	44.3	39.0	31.5
Total Tax Revenue						
	269	247	288	352	599	1414
	19.1	16.4	17.0	18.5	24.5	37.5
Natural Resources	46	47	46	52	55	54
Privileges, Licenses, etc.	73	82	92	107	124	184
Sales of Goods and Services	138	158	174	183	213	271
Return on Investments	45	47	57	59	107	78
Other Own Source Revenue	1195	1256	1389	1598	2052	3223
Total Own Source Revenue	3	4	11	7	9	10
	.2	.3	.6	.4	.4	.3
Grants in Lieu of Taxes						
Transfers	18	16	17	23	79	213
General Purpose	189	226	282	279	307	330
Specific Purpose	207	242	299	302	386	543
Sub-Total	1405	1503	1698	1907	2447	3775
Total Revenue						
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Tri-Level Task Force on Public Finance

Table B-36
Composition of Federal Government Expenditures (National Income and Expenditure Accounts Basis)
(in millions of dollars and percentage of total expenditures)

	1950		1956		1962		1968		1974	
	\$	%	\$	%	\$	%	\$	%	\$	%
Goods and Services ¹	923	38.9	2517	49.4	2688	35.9	3897	31.8	7429	25.8
Transfers to Persons:										
Family & Youth Allowances	307	12.9	394	7.7	529	7.1	615	5.0	1769	6.1
Unemployment Insurance Benefits	99	4.2	210	4.1	409	5.4	438	3.6	2121	7.4
Old Age Security Fund	-	-	376	7.4	713	9.5	1478	12.1	3303	11.5
Adult Occupational Training	-	-	-	-	-	-	101	.8	150	.5
Other	209	8.8	241	4.7	459	6.1	663	5.4	1369	4.7
Total	615	25.9	122.	23.9	2110	28.1	3295	26.9	8712	30.2
Interest on the Public Debt	427	18.0	510	10.1	865	11.6	1409	11.5	2961	10.3
Subsidies	60	2.5	118	2.3	322	4.3	522	4.3	2022	7.0
Capital Assistance	1	-	16	.3	38	.5	78	.6	184	.6
Transfers to Non-Residents	14	.6	42	.8	59	.8	170	1.4	400	1.4
Transfers to other levels of Government:										
to Provinces:										
Taxation Agreements	82	3.5	359	7.0	304	4.1	756	6.2	2348	8.2
Hospitalization	-	-	-	-	317	4.2	533	4.3	1212	4.2
Medicare	-	-	-	-	-	-	22	.2	735	2.5
Other	168	7.1	117	2.3	469	6.3	969	7.9	1700	5.9
Total	250	10.6	476	9.3	1090	14.6	2280	18.6	5995	20.8
To Local Governments	1	-	9	.2	44	.6	92	.7	152	.5
Total Transfers	251	10.6	485	9.5	1134	15.2	2372	19.3	6146	21.3
Gross Capital Formation	79	3.3	185	3.6	270	3.6	500	4.1	934	3.2
Total	2370	100.0	5100	100.0	7486	100.0	12243	100.0	28788	100.0

¹ Includes wages and salaries re CPP since 1966.

² Primarily tax rental payments prior to 1962 and equalization payments after 1962.

Source: Statistics Canada, National Income and Expenditure Accounts 1926-74

Table B-37
Composition of Provincial Government Expenditures (National Income and Expenditure Accounts Basis)
(in millions of dollars and percentage of total expenditures)

	1950		1956		1962		1968		1974	
	\$	%	\$	%	\$	%	\$	%	\$	%
Goods and Services ¹	391	31.8	688	32.5	1063	23.7	2724	26.3	7460	30.0
Transfers to Persons: ²										
Direct Relief	22	1.8	20	.9	39	.9	381	3.7	972	3.9
Workmen's Compensation	41	3.3	70	3.3	104	2.3	177	1.7	375	1.5
Grants to Post-Sec. Ed.	25	2.0	53	2.5	165	3.7	662	6.4	1412	5.7
Grants to Benevolent Associations	19	1.5	55	2.6	145	3.2	327	3.2	863	3.5
Other	277	22.5	287	13.6	265	5.9	483	4.7	622	2.5
Total	384	31.2	485	22.9	718	16.0	2030	19.6	4244	17.1
Interest on the Public Debt	75	6.1	101	4.8	184	4.1	485	4.7	1503	6.0
Subsidies	4	.3	9	.4	39	.9	119	1.1	556	2.2
Capital Assistance	9	.7	11	.5	3	.1	22	.2	89	.4
Transfers to other Levels of Government										
To Local Government:										
School Corporations	118	9.6	254	12.0	749	16.7	1573	15.2	3402	13.7
General	53	4.3	108	5.1	314	7.0	689	6.6	1680	6.7
Sub-Total	171	13.9	362	17.1	1063	23.7	2262	21.8	5082	20.4
To Hospitals:	-	-	-	-	782	17.5	1750	16.9	3872	15.6
Total Transfers	171	13.9	362	17.1	1845	41.2	4012	38.8	8954	36.0
Gross Capital Formation	196	15.9	460	21.7	625	14.0	958	9.3	2066	8.3
TOTAL	1230	100.0	2116	100.0	4477	100.0	10350	100.0	24872	100.0

¹ Includes wages and salaries re QPP since 1966

² Included grants to hospitals up to 1960

Source: Statistics Canada, National Income and Expenditure Accounts 1926-1974.

Table B-38

Composition of Local Government Expenditures (National Income and Expenditure Accounts Basis)

(in millions of dollars and percentage of total expenditures)

	1950		1956		1962		1968		1974	
	\$	%	\$	%	\$	%	\$	%	\$	%
Goods and Services	614	67.3	1221	65.2	2174	64.2	4438	68.8	8821	73.2
Transfers to Persons:										
Direct Relief	7	.8	24	1.3	79	2.3	131	2.0	258	2.1
Other	17	1.8	16	.8	5	.1	2	-	2	-
Total	24	2.6	40	2.1	84	2.4	133	2.0	260	2.1
Interest on the Public Debt	42	4.6	101	5.4	251	7.4	475	7.4	828	6.9
Transfers to other Levels of Government"										
To Provinces	11	1.2	18	1.0	15	.4	40	.6	31	.2
To Hospitals	-	-	-	-	13	.4	24	.4	20	.2
Total	11	1.2	18	1.0	28	.8	64	1.0	51	.4
Gross Capital Formation	222	24.3	493	26.3	847	25.0	1338	20.8	2094	17.4
TOTAL	913	100.0	1873	100.0	3384	100.0	6448	100.0	12054	100.0

Source: Statistics Canada, National Income and Expenditure Accounts, 1926-1974

Table B-39

Newfoundland Consolidated Provincial-Local Expenditure By Function, 1969/70-1974/75
(in millions of dollars and percentage of total expenditures)

Expenditure	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	18	5.1	20	4.9	43	7.4	25	4.5	30	4.6	33	4.0
Protection	9	2.6	11	2.7	13	2.2	14	2.5	17	2.6	22	2.7
Transportation and Communication	57	16.3	56	13.7	73	12.5	80	14.3	77	11.8	97	11.8
Health	65	18.6	75	18.3	83	14.2	102	18.2	129	19.8	161	19.5
Social Services	48	13.7	49	12.0	58	9.9	59	10.5	61	9.4	73	8.9
Education	79	22.6	100	24.4	129	22.1	145	25.8	158	24.3	202	24.5
Recreation and Culture	4	1.1	3	.7	8	1.4	6	1.2	12	1.8	23	2.8
Natural Resources	9	2.6	7	1.7	14	2.4	11	2.0	17	2.6	43	5.2
Agriculture, Trade, Industry and Tourism	11	3.1	21	5.1	33	5.7	32	5.7	28	4.3	32	3.9
Environment	4	1.1	4	1.0	25	4.3	12	2.1	13	2.0	13	1.6
Housing	5	1.4	6	1.5	8	1.4	7	1.2	8	1.2	10	1.2
Supervision and Development of Regions	2	.6	13	3.2	40	6.9	4	.7	10	1.5	13	1.6
Financial Services	48	13.7	44	10.7	57	9.8	62	11.1	74	11.4	86	10.4
Other	2	.6	1	.2	1	.2	2	.4	16	2.5	13	1.6
Total	350	100.0	410	100.0	583	100.0	561	100.0	650	100.0	824	100.0

Source: Tri-Level Task Force on Public Finance

Table B-40
 Prince Edward Island Consolidated Provincial-Local Expenditure By Function, 1969/70-1974/75
 (in millions of dollars and percentage of total expenditures)

Expenditure	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	5	6.3	6	6.3	9	8.0	10	8.0	9	6.0	9	5.6
Protection	2	2.5	2	2.1	2	1.8	3	2.4	4	2.6	5	3.1
Transportation and Communication	14	17.7	14	14.6	14	12.5	16	12.8	16	10.6	17	10.6
Health	12	15.2	14	14.6	19	17.0	21	16.8	27	17.9	28	17.4
Social Services	8	10.1	9	9.4	10	8.9	11	8.8	11	7.3	14	8.7
Education	24	30.4	27	28.1	31	27.7	33	26.4	37	24.5	43	26.7
Recreation and Culture	1	1.3	2	2.1	3	2.7	3	2.4	3	2.0	3	1.9
Natural Resources	-	-	1	1.0	2	1.8	2	1.6	3	2.0	2	1.2
Agriculture, Trade, Industry and Tourism	3	3.8	5	5.2	7	6.3	9	7.2	13	8.6	15	9.3
Environment	1	1.3	1	1.0	2	1.8	4	3.2	7	4.6	5	3.1
Housing	1	1.3	2	2.1	2	1.8	2	1.6	3	2.0	4	2.5
Supervision and Development of Regions	-	-	1	1.0	1	.9	1	.8	2	1.3	2	1.2
Financial Services	9	11.4	9	9.4	10	8.9	11	8.8	14	9.3	13	8.1
Other	1	1.3	1	1.0	2	1.8	1	.8	1	.7	1	.6
Total	79	100.0	96	100.0	112	100.0	125	100.0	151	100.0	161	100.0

Source: Tri-Level Task Force on Public Finance

Table B-41
Nova Scotia Consolidated Provincial-Local Expenditure By Function, 1969/70-1974/75
(in millions of dollars and percentage of total expenditures)

Expenditure	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	26	4.6	34	5.4	37	5.3	38	4.9	40	4.4	58	5.3
Protection	18	3.2	24	3.8	29	4.1	36	4.6	41	4.5	44	4.0
Transportation and Communication	75	13.2	76	12.1	88	12.6	94	12.1	108	11.9	123	11.2
Health	123	21.6	134	21.4	147	21.0	162	20.8	176	19.4	230	21.0
Social Services	43	7.5	46	7.3	52	7.4	60	7.7	78	8.6	99	9.0
Education	160	28.1	180	28.8	191	27.2	214	27.4	248	27.3	299	27.3
Recreation and Culture	8	1.4	7	1.1	9	1.3	11	1.4	17	1.9	24	2.2
Natural Resources	9	1.6	8	1.3	8	1.1	11	1.4	16	1.8	27	2.5
Agriculture, Trade, Industry and Tourism	15	2.6	15	2.4	18	2.6	18	2.3	23	2.5	29	2.6
Environment	18	3.2	22	3.5	25	3.6	24	3.1	32	3.5	43	3.9
Housing	3	.5	4	.6	5	.7	17	2.2	13	1.4	9	.8
Supervision and Development of Regions	5	.9	1	.2	1	.1	2	.3	1	.1	2	.2
Financial Services	66	11.6	70	11.2	78	11.1	85	10.9	73	10.2	99	9.0
Other	2	.4	6	1.0	13	1.9	9	1.2	24	2.6	9	.8
Total	570	100.0	626	100.0	701	100.0	780	100.0	908	100.0	1095	100.0

Source: Tri-Level Task Force on Public Finance

Table B-42
New Brunswick Consolidated Provincial-Local Expenditure By Function, 1969/70-1974/75
(in millions of dollars and percentage of total expenditures)

Expenditure	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	19	4.6	28	5.4	29	5.2	34	5.4	40	5.4	61	6.8
Protection	16	3.9	20	3.9	22	4.0	25	3.9	28	3.8	35	3.9
Transportation and Communication	59	14.3	86	16.6	78	14.1	85	13.4	107	14.5	161	17.9
Health	73	17.7	87	16.8	109	19.6	127	20.1	153	20.7	157	17.5
Social Services	32	7.7	39	7.5	50	9.0	58	9.2	67	9.1	93	10.3
Education	132	32.0	153	29.6	159	28.6	168	26.5	203	27.4	220	24.5
Recreation and Culture	6	1.5	9	1.7	12	2.2	15	2.4	19	2.6	16	1.8
Natural Resources	15	3.6	26	5.0	16	2.9	16	2.5	14	1.9	12	1.4
Agriculture, Trade, Industry and Tourism	8	1.9	10	1.9	10	1.8	22	3.5	23	3.1	29	3.2
Environment	11	2.7	11	2.1	14	2.5	16	2.5	18	2.4	38	4.2
Housing	3	.7	2	.4	4	.7	3	.5	3	.4	6	.7
Supervision and Development of Regions	3	.7	4	.8	9	1.6	10	1.6	10	1.4	11	1.2
Financial Services	33	8.0	34	6.6	38	6.8	48	7.6	50	6.8	52	5.8
Other	4	1.0	9	1.7	6	1.1	6	.9	7	.9	8	.9
Total	413	100.0	517	100.0	555	100.0	633	100.0	740	100.0	897	100.0

Source: Tri-Level Task Force on Public Finance

Table B-43
Quebec Consolidated Provincial-Local Expenditure By Function, 1969/70-1974/75
(in millions of dollars and percentage of total expenditures)

Expenditure	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	267	5.8	322	6.0	339	5.3	383	5.4	458	6.0	596	6.2
Protection	272	5.9	307	5.7	326	5.1	416	5.9	444	5.8	534	5.6
Transportation and Communication	503	11.0	658	12.3	744	11.7	810	11.5	927	12.2	1186	12.4
Health	838	18.3	1058	19.7	1307	20.6	1493	21.1	1636	21.5	1974	20.7
Social Services	533	11.6	661	12.3	791	12.4	837	11.8	981	12.9	1274	13.4
Education	1347	29.4	1470	27.4	1705	26.8	1797	25.4	1769	23.3	2261	23.7
Recreation and Culture	89	1.9	105	2.0	152	2.4	177	2.5	188	2.5	262	2.7
Natural Resources	54	1.2	58	1.1	70	1.1	81	1.1	103	1.4	164	1.7
Agriculture, Trade, Industry and Tourism	109	2.4	106	2.0	124	2.0	145	2.1	147	1.9	220	2.3
Environment	152	3.3	145	2.7	168	2.6	211	3.0	194	2.6	219	2.3
Housing	8	.2	9	.2	51	.8	53	.7	47	.6	55	.6
Supervision and Development of Regions	12	.3	27	.5	22	.3	22	.3	26	.3	32	.3
Financial Services	336	7.3	415	7.7	516	8.1	588	8.3	629	8.3	681	7.2
Other	58	1.3	24	.4	41	.6	54	.8	57	.7	83	.9
Total	4578	100.0	5362	100.0	6356	100.0	7068	100.0	7605	100.0	9540	100.0

Source: Tri-Level Task Force on Public Finance

Table B-44

Ontario Consolidated Provincial-Local Expenditure By Function, 1969/70-1974/75
(in millions of dollars and percentage of total expenditures)

Expenditure	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	352	5.4	352	4.6	417	4.9	417	4.5	516	5.0	767	6.1
Protection	399	6.1	458	6.0	500	5.8	555	6.0	617	6.0	735	5.9
Transportation and Communication	769	11.8	793	10.3	867	10.1	904	9.7	1004	9.8	1157	9.3
Health	1228	18.9	1615	21.0	1799	21.0	2042	22.0	2162	21.1	2629	21.1
Social Services	517	7.9	679	8.8	769	9.0	749	8.1	953	9.3	1383	11.1
Education	2071	31.8	2372	30.9	2530	29.5	2672	28.8	2718	26.5	2982	23.9
Recreation and Culture	161	2.5	213	2.8	248	2.9	287	3.1	336	3.3	387	3.1
Natural Resources	52	.8	76	1.0	84	1.0	151	1.6	170	1.7	203	1.6
Agriculture, Trade, Industry and Tourism	66	1.0	69	.9	100	1.2	104	1.1	103	1.0	117	.9
Environment	251	3.9	248	3.2	306	3.6	362	3.9	430	4.2	557	4.5
Housing	195	3.0	237	3.1	262	3.1	242	2.6	286	2.8	478	3.8
Supervision and Development of Regions	14	.2	34	.4	42	.5	44	.5	42	.4	45	.4
Financial Services	397	6.1	489	6.4	596	7.0	687	7.4	857	8.4	953	7.6
Other	41	.6	46	.6	55	.6	59	.6	60	.6	81	.6
Total	6511	100.0	7681	100.0	8573	100.0	9274	100.0	10252	100.0	12470	100.0

Source: Tri-Level Task Force on Public Finance

Table B-45
Manitoba Consolidated Provincial-Local Expenditure By Function, 1969/70-1974/75
(in millions of dollars and percentage of total expenditures)

Expenditure	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	45	6.2	42	5.0	37	3.9	46	4.2	58	4.9	79	5.3
Protection	36	4.9	39	4.6	47	4.9	56	5.1	69	5.9	87	5.8
Transportation and Communication	78	10.7	80	9.5	91	9.5	100	9.2	107	9.1	157	10.5
Health	155	21.2	190	22.5	207	21.7	218	20.0	250	21.2	321	21.5
Social Services	42	5.8	62	7.3	70	7.3	102	9.4	135	11.5	176	11.7
Education	232	31.8	254	30.1	273	28.6	312	28.7	290	24.6	319	21.3
Recreation and Culture	21	2.9	28	3.3	31	3.3	37	3.4	41	3.5	53	3.5
Natural Resources	21	2.9	23	2.7	27	2.8	27	2.5	26	2.2	26	1.7
Agriculture, Trade, Industry and Tourism	19	2.6	19	2.3	20	2.1	27	2.5	38	3.2	48	3.2
Environment	20	2.7	22	2.6	36	3.8	28	2.6	31	2.6	56	3.8
Housing	1	.1	9	1.1	37	3.9	43	3.9	30	2.5	44	2.9
Supervision and Development of Regions	2	.3	2	.2	4	.4	7	.6	9	.8	22	1.5
Financial Services	51	7.0	67	7.9	66	6.9	80	7.3	86	7.3	102	6.8
Other	8	1.1	7	.8	8	.8	8	.7	7	.6	8	.5
Total	730	100.0	844	100.0	953	100.0	1089	100.0	1178	100.0	1496	100.0

Source: Tri-Level Task Force on Public Finance

Table B-46

Saskatchewan Consolidated Provincial-Local Expenditure By Function, 1969/70-1974/75
(in millions of dollars and percentage of total expenditures)

Expenditure	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	32	4.4	35	4.6	40	4.8	44	4.8	56	5.3	72	5.3
Protection	30	4.2	33	4.3	36	4.3	40	4.4	47	4.5	62	4.6
Transportation and Communication	105	14.6	116	15.2	123	14.8	123	13.4	147	13.9	191	14.1
Health	161	22.4	166	23.1	176	21.2	181	19.7	207	19.6	245	18.1
Social Services	50	6.9	62	8.1	77	9.3	105	11.4	130	12.3	154	11.4
Education	211	29.3	215	28.2	237	28.5	251	27.3	272	25.8	316	23.4
Recreation and Culture	18	2.5	17	2.2	16	1.9	24	2.6	23	2.2	32	2.4
Natural Resources	14	1.9	12	1.6	21	2.5	15	1.6	20	1.9	23	1.7
Agriculture, Trade, Industry and Tourism	14	1.9	18	2.4	17	2.0	31	3.4	49	4.6	112	8.3
Environment	18	2.5	21	2.8	19	2.3	23	2.5	23	2.2	32	2.4
Housing	-	-	1	.1	3	.4	4	.4	5	.5	14	1.0
Supervision and Development of Regions	1	.1	2	.3	2	.2	2	.2	7	.7	8	.6
Financial Services	61	8.5	60	7.9	60	7.2	62	6.7	61	5.8	70	5.2
Other	4	.6	6	.8	4	.5	13	1.4	9	.9	19	1.4
Total	720	100.0	762	100.0	831	100.0	919	100.0	1056	100.0	1350	100.0

Source: Tri-Level Task Force on Public Finance

Table B-47

Alberta Consolidated Provincial-Local Expenditure By Function, 1969/70-1974/75
(in millions of dollars and percentage of total expenditures)

Expenditure	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	60	4.1	81	4.9	101	5.3	104	5.2	126	5.5	206	6.7
Protection	80	5.4	88	5.3	104	5.5	106	5.3	124	5.4	178	5.8
Transportation and Communication	169	11.5	181	10.9	201	10.5	205	10.2	245	10.8	384	12.5
Health	306	20.8	340	20.5	379	19.9	418	20.9	464	20.4	570	18.5
Social Services	112	7.6	135	8.1	164	8.6	181	9.0	227	10.0	329	10.7
Education	473	32.1	528	31.8	584	30.6	600	30.0	611	26.8	727	23.6
Recreation and Culture	38	2.6	42	2.5	51	2.7	53	2.6	66	2.9	96	3.1
Natural Resources	31	2.1	37	2.2	51	2.7	42	2.1	49	2.2	76	2.5
Agriculture, Trade, Industry and Tourism	29	2.0	22	1.3	24	1.3	27	1.3	47	2.1	128	4.2
Environment	50	3.4	54	3.3	57	3.0	65	3.2	77	3.4	111	3.6
Housing	14	1.0	10	.6	25	1.3	26	1.3	53	2.3	42	1.4
Supervision and Development of Regions	3	.2	6	.4	12	.6	7	.3	10	.4	5	.2
Financial Services	96	6.5	112	6.7	134	7.0	150	7.5	165	7.2	211	6.9
Other	13	.9	26	1.6	20	1.0	19	.9	14	.6	18	.6
Total	1472	100.0	1661	100.0	1906	100.0	2002	100.0	2276	100.0	3081	100.0

Source: Tri-Level Task Force on Public Finance

Table B-48

British Columbia Consolidated Provincial-Local Expenditure By Function, 1969/70-1974/75
(in millions of dollars and percentage of total expenditures)

Expenditure	1969/70		1970/71		1971/72		1972/73		1973/74		1974/75	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	80	4.7	93	5.1	118	5.5	145	5.9	177	6.1	199	5.1
Protection	93	5.5	101	5.6	119	5.5	151	6.1	165	5.7	226	5.8
Transportation and Communication	248	14.7	206	11.3	272	12.7	319	12.9	379	13.1	501	12.9
Health	243	14.4	389	21.4	428	19.9	482	19.5	563	19.5	750	19.3
Social Services	196	11.6	231	12.7	256	11.9	286	11.6	410	14.2	609	15.7
Education	473	28.1	516	28.4	577	26.8	627	25.4	708	24.5	868	22.4
Recreation and Culture	45	2.7	50	2.7	79	3.7	91	3.7	98	3.4	161	4.2
Natural Resources	52	3.1	62	3.4	83	3.9	89	3.6	87	3.0	152	3.9
Agriculture, Trade, Industry and Tourism	17	1.0	19	1.0	20	.9	22	.9	32	1.1	57	1.5
Environment	63	3.7	66	3.6	83	3.9	126	5.1	122	4.2	145	3.7
Housing	4	.2	3	.2	15	.7	18	.7	29	1.0	70	1.8
Supervision and Development of Regions	1	.1	1	.1	1	-	1	-	1	-	2	.1
Financial Services	62	3.7	77	4.2	97	4.5	71	2.9	121	4.2	132	3.4
Other	8	.5	7	.4	3	.1	40	1.6	3	.1	10	.3
Total	1686	100.0	1819	100.0	2150	100.0	2468	100.0	2894	100.0	3882	100.0

Source: Tri-Level Task Force on Public Finance

Table B-49

Federal Specific Purpose Transfers By Function and Major Program 1969/70 - 1974/75

(in millions of dollars)

Function and Program	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
	Prov. ¹ Local	Prov. ¹ Local	Prov. ¹ Local	Prov. ¹ Local	Prov. ¹ Local	Prov. ¹ Local
Transportation and Communications	51 10	45 11	34 10	40 9	47 9	37 8
Health						
Hospital	680	736	845	962	1067	1308
Medical Care	216	439	613	668	715	794
Other	23	15	12	7	2	2
Sub-Total	919	1190	1470	1637	1785	2104
Social Services						
Social Welfare	309	409	473	488	520	675
Other	-	-	-	5	9	61
Sub-Total	309	409	473	493	529	737
Education						
Post Secondary	306	394	460	491	494	504
Other	95	225	150	48	90	93
Sub-Total	401	618	610	559	584	596
Natural Resources	17	10	10	15	21	16
Agriculture, Trade and Industry:						
Agriculture	54	58	76	90	108	114
Other	4	-	-	1	10	104
Sub-Total	58	58	76	91	119	218
Environment	4	-	-	-	-	-
Labor, Employment, etc.	-	8	15	27	4	10
Housing	-	3	28	10	9	3
Supervision and Development of Regions	-	1	1	25	9	28
Other	-	26	24	23	17	1
Other	9	112	70	67	89	53
	2	10	16	8	6	4
TOTAL	1768 49	2455 52	2762 82	2920 88	3193 101	3779 89

¹ Includes Territories

Source: Tri-Level Task Force on Public Finance

Table B-50
Federal Special Purpose Transfers¹ By Function and Major Program, as Percentage of Total Transfers 1969/70-1974/75

Function and Program	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
Transportation and Communications						
Health	3.4	2.2	1.5	1.6	1.7	1.2
Hospitals	37.4	29.4	29.7	32.0	32.4	33.8
Medical Care	11.9	17.5	21.6	22.2	21.7	20.5
Other	1.3	.6	.4	.2	.1	.1
Sub-Total	50.6	47.5	51.7	54.4	54.2	54.4
Social Services						
Social Welfare	17.0	16.3	16.6	16.2	15.8	17.5
Other	-	-	-	-	.3	1.6
Sub-Total	17.0	16.3	16.6	16.2	16.1	19.1
Education						
Post Secondary	16.8	15.7	16.2	16.3	15.0	13.0
Other	5.5	9.2	5.5	2.4	2.8	2.5
Sub-Total	22.3	24.9	21.6	18.7	17.8	15.5
Natural Resources	.9	.4	.4	.5	.6	.4
Agriculture, Trade and Industry						
Agriculture	3.0	2.3	2.7	3.0	3.4	2.9
Other	.2	-	-	-	.3	2.7
Sub-Total	3.2	2.3	2.7	3.0	3.4	5.6
Environment	.6	.3	.5	.9	1.3	1.0
Labor, Employment, etc.	-	.1	1.0	1.2	1.3	.8
Housing	1.4	1.2	.9	.8	.5	.5
Supervision and Development of Regions	-	4.5	2.5	2.2	2.7	1.4
Other	.6	.5	.6	.3	.2	.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
¹ To Provinces, Territories and Local Governments						

Source: Tri-Level Task Force on Public Finance

Table B-51

Federal Specific Purpose Transfers¹ by Function and Major Program, As Percentage of Federal Expenditure, 1969/70-1974/75

Function and Program	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
Transportation and Communications						
Health	5.9	5.4	3.6	3.6	3.2	2.1
Hospitals	96.3	99.7	99.8	99.9	99.9	100.0
Medical Care	90.7	94.0	99.8	100.0	100.0	92.5
Other	28.4	14.6	8.5	4.4	1.2	1.4
Sub-Total	89.7	91.0	91.7	91.5	91.5	91.2
Social Services						
Social Welfare	52.8	73.0	75.0	77.0	77.5	72.7
Other	-	-	-	-	-	.7
Sub-Total	7.8	9.1	8.9	7.3	6.8	7.6
Education						
Post Secondary	74.3	68.3	83.5	93.9	93.2	90.6
Other	44.1	85.5	50.2	22.2	25.0	25.9
Sub-Total	63.5	73.6	71.5	66.5	65.1	64.3
Natural Resources						
Agriculture, Trade and Industry:	7.6	4.3	4.0	5.3	4.1	1.1
Agriculture	8.6	13.0	14.0	22.3	15.2	14.7
Other	1.7	-	-	.2	2.2	22.5
Sub-Total	6.7	7.8	8.3	8.6	10.2	17.6
Environment						
Labor, Employment, etc.	20.0	17.4	23.1	43.0	17.5	16.7
Housing	-	1.9	9.7	7.0	8.9	6.4
Supervision and Development of Regions	68.4	65.9	35.2	17.0	12.3	10.2
Other	-	43.6	28.9	24.2	30.8	16.0
	.2	.2	.2	.1	.1	.1
TOTAL	13.1	15.9	15.6	14.4	13.6	12.6

¹ To Provinces, Territories and Local Governments.

Source: Tri-Level Task Force on Public Finance

Table B-52

Specific Purpose Transfers Received By Local Governments¹ from Federal and Provincial Governments, 1969-1974
(in millions of dollars)

Function	1969		1970		1971		1972		1973		1974	
	Prov.	Fed.	Prov.	Fed.	Prov.	Fed.	Prov.	Fed.	Prov.	Fed.	Prov.	Fed.
Protection	19	-	27	-	11	-	13	-	21	-	44	3
Transportation and Communication	249	7	272	19	299	5	296	6	339	9	419	13
Health	287	1	334	-	384	-	393	-	383	-	440	-
Social Services	116	-	174	-	226	-	268	-	268	-	299	-
Education	1924	2	2275	-	2645	-	2812	-	2986	-	3356	-
Recreation and Culture	13	-	12	1	21	15	27	14	39	17	57	23
Environment	14	10	22	7	25	22	31	27	41	21	68	46
Housing	3	4	2	2	6	46	7	38	37	32	67	38
Other	8	12	17	2	38	1	79	10	68	-	90	1
TOTAL	2632	36	3130	31	3655	88	3926		4187	79	4840	125

¹ Transfers as reported by Local governments.

Source: Tri-Level Task Force on Public Finance

Appendix C

Glossary

Appendix C

Glossary

The following is a brief explanation of some of the terms involving revenues and expenditures and intergovernmental transfer payments in this study.

(a) Revenues including intergovernmental transfers.

Transfers are included in the revenues of the recipient government as well as in the revenues of the transferring government. Involves double counting of transfers.

(b) Gross general revenue.

Same as (a).

(c) Revenues excluding intergovernmental transfers.

Transfers are attributed to the transferring government and are therefore excluded from the revenues of the recipient government.

(d) Own source revenue.

This is revenue from a government's own tax and miscellaneous sources and excludes revenue received as transfers from other governments.

Same as (c).

(e) Revenue before transfers.

Same as (c).

(f) Revenue after transfers.

Transfers are excluded from the revenue of the transferring government

and are included in the revenue of the recipient government.

(g) Expenditures including intergovernmental transfers.

Transfers paid to other levels of government are included in the expenditures of the transferring government and also in the expenditures of the recipient government. Involves double counting of transfers.

(h) Gross general expenditure.

Same as (g).

(i) Expenditures excluding intergovernmental transfers.

Transfers are excluded from the expenditures of the transferring government and are included in the expenditures of the recipient government.

(j) Expenditures for own purposes.

Same as (i).

(k) Expenditures before transfers.

Transfers are included in the expenditures of the transferring government but are excluded from the expenditures of the recipient government.

(l) Expenditures after transfers.

Same as (i).

Disaggregation of Federal and Provincial
Social Service Expenditures
to Selected Urban Regions

DISAGGREGATION OF FEDERAL AND PROVINCIAL
SOCIAL SERVICE EXPENDITURES
TO SELECTED URBAN REGIONS

This study was prepared for the Tri-Level Task Force on Public Finance by Geert de Koning and Vernon H. Lang.

Technical assistance in the preparation of the study was provided by members of the Task Force but it should not necessarily be regarded as representing a consensus view of the Task Force members or of the governments they serve.

DISAGGREGATION OF FEDERAL AND PROVINCIAL
SOCIAL SERVICE EXPENDITURES
TO SELECTED URBAN REGIONS

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DISAGGREGATION OF FEDERAL AND PROVINCIAL SOCIAL SERVICE EXPENDITURES
TO SELECTED URBAN REGIONS

Summary and Overview

The objective of this study is to disaggregate a selected federal and provincial expenditure, social service expenditure, to five selected cities:

City of Moncton

Municipality of Metropolitan Toronto

City of Winnipeg

City of Saskatoon

City of Edmonton

The primary focus of the study has been the feasibility of determining the local shares of federal and provincial social service expenditures. It has been possible to do so but with differing degrees of accuracy for federal and provincial governments.

For major expenditure items federal Public Accounts gave an accurate breakdown of expenditures to the provincial level, but not to cities and municipalities. At the same time departmental files contained a great deal of information which did not lend itself to an accurate breakdown of these expenditures to sub-provincial geographic units. In the future, with the introduction of computerized methods based on postal geo-coding, accurate information will become available. However, for the two years

studied, some major federal social service programs could be disaggregated only on the basis of approximation methods.

For Provincial governments the results obtained were more accurate. Generally speaking provincial Public Accounts supplemented with departmental Annual Reports and data files, provided the basic information needed. However, in most cases special assistance from department officials was required for a correct interpretation of the data provided in the various source documents used.

Due to the nature of the expenditure category selected, this study has not attempted to resolve general conceptual problems arising out of a disaggregation of other federal and provincial expenditure categories. In itself, a disaggregation of social service expenditures does not raise serious conceptual problems. But, as a consequence this study's conceptual approach is of limited value when considering a disaggregation of expenditure categories such as health, education, protection of persons and property, etc.

It should be noted also that this study analyzes federal and provincial government expenditures only. In other words, local government expenditures are not considered in this study. Consequently, inter-city comparisons of social service expenditures by all levels of government in the selected cities cannot be made on the basis of the results of this study.

The results of this study are set out below in Table 1. This Table is extracted from three summary Tables. First, the federal and provincial service expenditures to be disaggregated are summarized in Table 2. Second, disaggregation of federal social service expenditures is summarized in Table 3. Third, disaggregation of social service expenditures of the five selected provinces is summarized in Table 4.

Table 1

Federal and Selected Provincial Social Service Expenditures, 1972/73 and 1973/74

Disaggregated to Selected Cities

(millions of dollars)

	1972/73		1973/74	
	Federal/ Provincial Social Service Expenditures	Amounts Disaggregated to Selected Cities	Federal/ Provincial Social Service Expenditures	Amounts Disaggregated to Selected Cities
Federal Government Social Service Expenditures				
Total	6,710.0 ¹		7,807.5 ²	
Disaggregated to:				
Moncton		21.9		23.6
Toronto		545.8		610.8
Winnipeg		160.4		179.8
Saskatoon		42.4		43.2
Edmonton		111.2		119.7
Provincial Governments Social Service Expenditures				
New Brunswick	50.2	4.4	58.0	5.2
Disaggregated to Moncton				
Ontario	474.2	130.1	679.8	210.7
Disaggregated to Toronto				
Manitoba	93.9	50.3	127.3	70.6
Disaggregated to Winnipeg				
Saskatchewan	94.9	15.0	120.4	17.3
Disaggregated to Saskatoon				
Alberta	153.6	45.0	196.7	60.7
Disaggregated to Edmonton				

¹ Includes \$491.8 million in transfer payments to provinces which are disaggregated to the provincial level only. These transfer payments are disaggregated to selected cities as part of provincial government expenditures.

² Includes \$525.8 million in transfer payments to provinces.

Section I - Introduction

Objective of Study

The objective of this study, as specified in the terms of reference of the Tri-Level Task Force on Public Finance¹, is to disaggregate selected federal and provincial government expenditures to selected urban regions. In particular, the study was to focus on the feasibility of determining the local shares of federal and provincial expenditures.

The general approach as well as specific methods used in a study of this kind will vary, depending on the nature of the expenditure involved. In view of this methodological problem, the Tri-Level Task Force adopted a selective approach. One expenditure, Social Service expenditures, was to be disaggregated to a limited number of urban regions, subsequently identified as:

City of Moncton

Municipality of Metropolitan Toronto

City of Winnipeg

City of Saskatoon

City of Edmonton

General Approach

The approach taken in this study may best be described as a micro-analysis of federal and provincial social service expenditures.

1

In this study the Tri-Level Task Force on Public Finance is referred to as the Tri-Level Task Force.

It involves a detailed examination of social service expenditures in terms of client population, manner of delivery and cost components. Further, the geographic distribution of benefits received and costs incurred are of special interest to a study aimed at disaggregating government expenditures.

However, the general approach adopted could not be rigorously applied for several reasons. Firstly, the study attempts to identify benefits received and costs incurred in the provision of a service in relation to only five selected cities located in five different provinces. To obtain an adequate insight into the geographic distribution of benefits received and/or costs incurred, many more sub-provincial entities would have to be analysed.

Secondly, this study, being an initial attempt at a disaggregation of federal and provincial expenditures to urban regions, could not possibly deal with all aspects of the problem. Therefore, the main focus of the study has been on identifying, within the time available, the different component parts of federal and provincial social service expenditures, followed by an investigation of data availability.

Depending upon the outcome of this research procedure, a particular expenditure item could or could not be accurately allocated to one or all of the five selected cities. If it could not be accurately allocated, an approximation method was developed and evaluated in terms of possible error when used to estimate a city's participation in the benefits and/or costs of a specific social service expenditure item.

If the method developed produced reasonably accurate results it was applied, if not, the expenditure item was not disaggregated or was allocated to a city on an arbitrary basis, generally a per capita basis.

In other words, the main emphasis of the study has been on the accuracy of results obtained, rather than the resolution of conceptual problems. As justification, it should be noted that in relation to social service expenditure the conceptual problems are relatively minor. Investigation revealed that the most appropriate basis for disaggregating the majority of social service expenditures is benefits received. Further, regardless of which method is used (i.e. benefits received or cost incurred) to disaggregate administration and general overhead costs, it does not significantly influence the picture obtained from disaggregating the majority of transfer payments on a benefits received principle.

Data Availability

The starting point for the disaggregation of social service expenditures was the data prepared by the Tri-Level Task Force (Table 2). The first step in disaggregating the data was the identification of the expenditures and programs involved.

Next, provincial public accounts were studied to determine their usefulness for the purpose of this disaggregation study. Not surprisingly, it was found that their usefulness varied from province to province. For example, in a comparison of the New Brunswick and Ontario Public Accounts, the former gave very little information

relevant to a disaggregation of social service expenditures, while the latter contained a great deal of necessary information for such a disaggregation.

However, the format of the Provincial Public Accounts changed (1) from one year to another (for example, Saskatchewan Public Accounts provided detailed information on district expenditures in 1972/73 which were not given in 1973/74) and (2) within the same Public Accounts from one department to another (for example, Ontario gave detailed information on a program-by-program basis for one Ministry but not for another).

In other words, while the Provincial Public Accounts generally provided a good starting point for a disaggregation of social service expenditures they did not provide all required information.

Supplemental, and in some cases alternative sources of information were identified. Generally, these were found within the departments concerned, in the form of Annual Reports, internally available statistical tabulations, and historical data files. (The latter, although available, were not always easily accessible, having been transferred to archives.)

At the federal level, the situation was different. In most cases federal Public Accounts gave a breakdown of expenditures to the provincial level, but not to cities and municipalities. On the other hand, a great deal of useful information was potentially available but not in a format which lent itself to a geographic disaggregation of expenditures. In the near future this will change due to the introduction of computerized methods based on postal codes. However,

for the two fiscal years studied here (i.e. 1972/73 and 1973/74) some major federal social service programmes (Canada Pension Plan, Unemployment Insurance Commission, Old Age Security and Family Benefits) could be disaggregated only on the basis of approximation methods.

Results of Study

The results of this study are summarized in two sets of Tables, one for the federal government and one for provincial governments. They are displayed separately because of the different expenditure structure of each level of government.

The results of disaggregating federal social service expenditures are set out in Table 3. Federal government expenditures were disaggregated first to the provincial level, then to the selected cities. Table 3-A summarizes the disaggregation of 1972/73 expenditures and Table 3-B similarly summarizes 1973/74 expenditures.

Provincial governments are summarized in Table 4, separately for 1972/73 (Table 4-A) and 1973/74 (Table 4-B).

The results of this study are summarized in dollar terms only. A comparison in relative terms (percentages or per capita expenditures) is less meaningful at this stage of the study. The various provincial governments administer their social service programs in different ways. Specifically, some provincial governments have set up district offices for the administration of some social service programs. Other provinces, for example, Ontario, channel a significant portion of their social

service expenditures through municipal governments.

Furthermore, it has not been fully determined whether the expenditures classified to the various functional categories are comparable. In particular, the various components of provincial child welfare programs could not be adequately determined and, as a consequence, the distinction made in this study between "public assistance" expenditures and expenditures on "services and institutions" may not be entirely correct.

Lastly, this study has not examined the role of local governments in the provision of social services. As a consequence, the overall picture of government social service expenditures in an urban area remains incomplete. To complete this picture requires not only an insight into local government social service expenditures but also more detailed information on the channelling of funds from federal to provincial to municipal governments, and the use of these transferred funds at each level of government. These aspects of the study have not been adequately investigated.

Table 2

Social Service Expenditures, 1972/73 and 1973/74
Federal Government and Selected Provinces
(millions of dollars)

	1972/73	1973/74
<u>Federal</u>		
Government Departments		
Own Administered	6,218.2	7,281.7
Transfers to Provinces	491.8	525.8
Total	6,710.0	7,807.5
<u>Provinces</u>		
<u>New Brunswick</u>		
Government Departments	49.6	59.0
Special Agencies	6.5	7.9
Total	56.1	66.9
<u>Ontario</u>		
Government Departments	474.2	679.8
Special Agencies	119.3	155.8
Total	593.5	835.6
<u>Manitoba</u>		
Government Departments	93.9	127.3
Special Agencies	9.4	9.1
Total	103.3	136.4
<u>Saskatchewan</u>		
Government Departments	95.7	119.6
Special Agencies	9.6	11.1
Total	105.3	130.7
<u>Alberta</u>		
Government Departments	153.6	196.7
Special Agencies	24.7	26.1
Total	178.3	222.8

Source: This study - Federal Government - Table 5.
New Brunswick - Table 10.
Ontario - Table 12.
Manitoba - Table 15.
Saskatchewan - Table 17.
Alberta - Table 20.

Table 3-A
Federal Social Service Expenditures,¹ 1972/73
Disaggregated to Selected Provinces and Cities
(millions of dollars)

	Canada Pension Plan	Old Age Security	Veterans Benefits	Unemployment Insurance	Family Allowance	Social Welfare		Total
						Transfers to Provinces ¹	Own ² Expenditure	
Total Federal Social Service Expenditures	206.6	2,524.3	480.3	2,171.0	609.9	491.8	226.1	6,710.0
Disaggregated to:								
New Brunswick	7.2	84.0	24.7	87.8	20.8	24.3	9.6	258.4
Moncton	0.6	6.6	0.2	11.5	1.3	-	1.7	21.9
Ontario	111.3	881.4	143.4	681.2	220.2	215.4	64.8	2,317.7
Toronto	29.7	217.4	33.8	193.0	52.0	-	19.9	545.8
Manitoba	13.0	141.3	34.1	74.2	28.2	37.6	9.1	337.5
Winnipeg	7.0	71.5	17.3	44.9	14.1	-	5.6	160.4
Saskatchewan	10.7	138.9	17.0	58.4	27.4	30.4	8.5	291.3
Saskatoon	1.3	16.2	2.3	10.5	9.7	-	2.4	42.4
Alberta	16.9	173.8	32.6	115.8	50.7	55.1	15.5	460.4
Edmonton	4.1	40.8	7.0	40.6	12.8	-	5.9	111.2

¹ Transfers to provinces are disaggregated to the selected cities as part of provincial government social service expenditures. However these transfer payments are not identified as such when disaggregating provincial expenditures.

² Includes Workers Compensation, Social Welfare and Other.

Source: This Study, Tables 6 and 7.

Table 3-B
Federal Social Service Expenditures,¹ 1973/74
Disaggregated to Selected Provinces and Cities
(millions of dollars)

	Canada Pension Plan	Old Age Security	Veterans Benefits	Unemployment Insurance	Family Allowance	Social Welfare		Total
						Transfers to Provinces ¹	Own ² Expenditure	
Total Federal Social Service Expenditures	279.2	3,034.6	561.3	2,159.2	995.7	525.8	251.7	7,807.5
Disaggregated to:								
New Brunswick	10.0	99.6	27.1	100.9	32.6	31.3	10.1	311.6
Moncton	0.8	7.8	0.3	11.3	2.1	-	1.3	23.6
Ontario	148.7	1,064.0	172.8	647.8	355.4	215.1	78.7	2,682.5
Toronto	39.7	262.5	42.1	157.9	84.9	-	23.7	610.8
Manitoba	17.6	168.2	39.2	62.2	35.9	40.3	10.9	374.3
Winnipeg	9.5	85.1	20.1	35.9	22.7	-	5.5	179.8
Saskatchewan	14.0	164.2	20.3	53.4	43.0	37.0	10.0	341.9
Saskatoon	1.7	19.2	2.8	11.2	5.8	-	2.5	43.2
Alberta	22.9	209.0	39.3	82.3	81.9	55.4	17.8	508.6
Edmonton	5.5	49.0	8.3	29.6	20.6	-	6.7	119.7

- ¹ Transfers to provinces are disaggregated to the selected cities as part of provincial government social service expenditures. However these transfer payments are not identified as such when disaggregating provincial expenditures.
- ² Includes Workers Compensation, Social Welfare and Other.
- Source: This Study, Tables 6 and 7.

Table 4-A
Provincial Social Service Expenditures¹, Selected Provinces, 1972/73

Disaggregated to Selected Cities
(millions of dollars)

	Public Assistance	Institutions and Services	Special Employment	Tax Credits	Administration and Other	Total
New Brunswick	37.5	7.9	-	-	4.8	50.2
Moncton	2.8	1.2	-	-	0.4	4.4
Ontario	255.8	127.7	28.9	38.0	23.8	474.2
Toronto ²	69.9	40.2	7.8	5.4	6.8	130.1
Manitoba	64.1	11.2	7.8	9.8	1.0	93.9
Winnipeg	36.1	4.5	2.9	6.3	0.5	50.3
Saskatchewan	53.4	7.0	8.1	18.7	7.7	94.9
Saskatoon	9.5	1.2	0.9	2.3	1.1	15.0
Alberta	76.4	27.9	10.1	33.7	5.5	153.6
Edmonton	22.6	9.5	1.8	9.4	1.7	45.0

Source: New Brunswick, Table 11.
Ontario, Table 14.
Manitoba, Table 16.
Saskatchewan, Table 19.
Alberta, Table 21.

¹ Does not include Workman's Compensation Board expenditures
² Includes Transfer Payments to Local Government in Toronto

Table 4-B

Provincial Social Service Expenditures¹, Selected Provinces, 1973/74Disaggregated to Selected Cities
(millions of dollars)

	Public Assistance	Institutions and Services	Special Employment	Tax Credits	Administration and Other	Total
New Brunswick	41.9	10.1	-	-	6.0	58.0
Moncton	3.0	1.7	-	-	0.5	5.2
Ontario	277.0	154.4	12.3	207.9	28.2	679.8
Toronto ²	72.8	45.1	3.2	82.0	7.6	210.7
Manitoba	56.3	14.5	11.9	42.0	2.6	127.3
Winnipeg	34.0	5.9	4.2	25.0	1.5	70.6
Saskatchewan	60.0	13.5	4.6	30.2	12.1	120.4
Saskatoon	10.4	1.2	0.6	3.8	1.3	17.3
Alberta	89.1	29.7	15.5	58.3	4.1	196.7
Edmonton	31.5	10.5	2.9	14.4	1.4	60.7

Source: New Brunswick, Table 11.
 Ontario, Table 14.
 Manitoba, Table 16.
 Saskatchewan, Table 19.
 Alberta, Table 21.

¹ Does not include Workman's Compensation Board expenditures

² Includes Transfer Payments to Local Government in Toronto

Section II - Disaggregation of Federal Social Service Expenditures to Selected Cities

In this section federal social service expenditures are analyzed to determine whether or not these expenditures can be disaggregated to the five selected cities.

Federal government expenditures classified by the Tri-Level Task Force as social service were \$6.7 billion in 1972/73 and \$7.8 billion in 1973/74. It has been possible to disaggregate, with varying degrees of accuracy, more than 90% of these expenditures. The remainder consists primarily of federal contributions to shared-cost programs (7% to 8%) and some residual items accounting for about 1%.

Federal social service expenditures are identified in Table 5. In this Table federal contributions to shared-cost programs are identified separately as "intergovernmental transfer payments". The programs and amounts involved are detailed in Table 6 which also provides information on the amounts transferred to selected provinces under each of the programs listed. While the work was not done on this basis, it would have been possible, and conceptually valid, to have attributed the federal contributions to provinces in respect of shared-cost programs to the credit of the federal government rather than the provinces.

Following the practice of Statistics Canada, adopted by the Tri-Level Task Force, federal contributions to shared-cost programs are included in provincial gross expenditures and are disaggregated to the selected cities as part of provincial government expenditures (see Section III). However, at the provincial level the federal contributions to shared-

cost programs are not in all provinces explicitly identified. As a consequence, the pass-through of these federal funds to local areas has not been consistently determined.

The results of the disaggregation of federal own administered social service expenditures are summarized in Table 7. It shows, for each expenditure program, the amounts allocated to selected provinces and within each province, the selected city. Table 7 also shows a residual amount which includes the expenditures allocated to all other provinces and the territories. The various methods used are explained in Notes appended to each Table.

This study also established that the Federal government accounting system is not set up to produce information relating to a local area. Historically, the Federal government's accounting systems provided for breakdowns only to the provincial level, or in some cases to sub-provincial areas which were convenient for the administration of a particular program, such as Veterans' Affairs or Unemployment Insurance. Even where computerized records are available, the volume of data is so massive that the cost of special data requests were beyond available resources. However, with the use of postal geo-coding it will be possible to estimate the local share of major federal expenditures much more accurately than has been possible in this study.

In the case of Unemployment Insurance benefit payments, there were monthly print-outs available by district. Their use, however, was complicated by two facts: (1) the amounts recorded were net of tax

deductions, and (2) administrative districts varied over the study period and usually differed from the urban regions used by the Tri-Level Task Force.

For Veterans' Affairs, Unemployment Insurance and Manpower Training, data was good to the district level, but only approximation methods could be used to breakdown expenditures to the urban regions in question.

For Canada Pension Plan, Old Age Security and Family Allowances, the problems were somewhat different. The cost of access to data contained in the relevant records made it necessary to use demographic methods, e.g. determining proportions of relevant age groups within the population. With Family Allowances and similar payments an added difficulty arose which required the estimation of certain single years of age which did not fit the standard five-year age cohorts. Census data on single years of age exist for provinces and Census Metropolitan Areas, but not for the selected urban regions. Such demographic estimates were projected from the 1971 Census, but the greater the distance in time from that census year the less reliable became the estimates.

Despite the problems outlined, the data on the following Tables represent a reasonably accurate disaggregation of federal expenditures on social services.

Table 5

Federal Social Service Expenditures, 1972/73 and 1973/74Identification of Expenditures

(millions of dollars)

	1972/73	1973/74
Canada Pension Plan	206.6	279.2
Old Age Security	2,524.3	3,034.6
Veterans Benefits	480.3	561.3
Unemployment Insurance	2,171.0	2,159.2
Workers Compensation	6.4	6.8
Family Allowances	609.9	995.7
Social Welfare and Other		
Own Administered	219.7	244.9
Intergovernmental Transfer Payments	491.8	525.8
Total, Social Service Expenditures	6,710.0	7,807.5

Source: Tri-Level Task Force on Public Finance.

Table 6
Federal Social Service Expenditures, 1972/73 and 1973/74
Disaggregation of Intergovernmental Transfer Payments to Selected Provinces
(millions of dollars)

	New Brunswick	Ontario	Manitoba	Saskatchewan	Alberta	Other Provinces	Total Transfers
<u>Fiscal 1972/73</u>							
General Assistance -							
Canada Assistance Plan ¹	17.4	140.2	22.8	20.1	40.2	89.2	329.9
Categorical ²	1.1		0.2		0.7	2.3	4.3
Social Services -							
Canada Assistance Plan ³	5.5	70.3	13.4	9.0	12.9	35.6	146.7
Occupational Assistance ⁴	0.2	4.2	0.7	0.8	0.9	0.7	7.5
Indian Assistance ⁵	0.1	0.7	0.5	0.5	0.4	1.2	3.4
	<u>24.3</u>	<u>215.4</u>	<u>37.6</u>	<u>30.4</u>	<u>55.1</u>	<u>129.0</u>	<u>491.8</u>
<u>Fiscal 1973/74</u>							
General Assistance -							
Canada Assistance Plan ¹	21.3	155.6	21.4	23.8	38.5	92.5	353.1
Categorical ²	1.0	0.1	0.2		0.6	1.4	3.3
Social Services -							
Canada Assistance Plan ³	8.8	51.7	16.5	11.6	14.6	50.5	153.7
Occupational Assistance ⁴	0.1	6.6	0.9	0.8	1.1	0.5	10.0
Indian Assistance ⁵	0.1	1.1	0.7	0.8	0.6	1.8	5.7
Experimental Projects ⁶	-	-	0.6	-	-	-	0.6
	<u>31.3</u>	<u>215.1</u>	<u>40.3</u>	<u>37.0</u>	<u>55.4</u>	<u>146.7</u>	<u>525.8</u>

Reference Notes to Table 6

1. Federal government expenditures on General Assistance under the Canada Assistance Plan, together with the expenditures classified as "social services", but similarly part of Canada Assistance Plan, are available only as a total in the Public Accounts of Canada. These two component parts of the Canada Assistance Plan have been separated from slightly different data available in the Annual Reports of the Canada Assistance Plan.

Note also that the national totals of these items do not include Quebec which is compensated in a different manner by the Department of Finance under the Established Programs Interim Arrangements Act.
2. This expenditure item, General Assistance - Categorical, groups blind persons' and disabled persons' pensions and old age assistance. These are residuals of older shared-cost programs, which the provinces in varying degrees, with the approval of the Federal government, have shifted over to the Canada Assistance Plan. The amounts transferred to each province are separately reported in the Public Accounts of Canada.
3. Social Service, Canada Assistance Plan. See Note 2 above.
4. Occupational Assistance. This represents transfer payments to Provincial governments under the Vocational Rehabilitation of Disabled Persons Act. The provincial breakdown is available in the Public Accounts of Canada, for 1972/73 listed under the

Department of Manpower and Immigration and for 1973/74 under the Department of National Health and Welfare.

5. Indian Assistance. This represents amounts transferred to provinces to reimburse them for welfare payments and services to Indians. However, the amount transferred to provincial governments is not available from the Public Accounts of Canada. The totals shown are residuals derived from Volume I, Table 127, Government of Canada Transfers to All Provinces. The estimated breakdown is a pro-rating based on the provincial distribution of the registered Indian population.
6. Experimental Projects. This item, which appeared only in 1973/74 and subsequent years, covers payments to Manitoba in connection with its Guaranteed Annual Income experiments.

Table 7-A
Federal Social Service Expenditures, 1972/73
Disaggregation of Own Administered Expenditures to Selected Provinces and Cities

(millions of dollars)

	Canada Pension Plan ¹	Old Age Security ²	Veterans ³ Benefits	Unemployment ⁴ Insurance	Workers ⁵ Compensation	Family ⁶ Allowances	Social ⁷ Welfare and Other	Total
New Brunswick	7.2	84.0	24.7	87.8	0.1	20.8	9.5	234.1
Moncton	0.6	6.6	0.2	11.5	*	1.3	1.7	21.9
Ontario	111.3	881.4	143.4	681.2	1.3	220.2	63.5	2,102.3
Metro Toronto	29.7	217.4	33.8	193.0	0.4	52.0	19.5	545.8
Manitoba	13.0	141.3	34.1	74.2	0.1	28.2	9.0	299.9
Winnipeg	7.0	71.5	17.3	44.9	0.1	14.1	5.5	160.4
Saskatchewan	10.7	138.9	17.0	58.4	0.2	27.4	8.3	260.9
Saskatoon	1.3	16.2	2.3	10.5	*	9.7	2.4	42.4
Alberta	16.9	173.8	32.6	115.8	0.5	50.7	15.0	405.3
Edmonton	4.1	40.8	7.0	40.6	0.1	12.8	5.8	111.2
All Other	47.5	1,104.9	228.5	1,153.6	4.2	262.6	114.4	2,915.7
Total	206.6	2,524.3	480.3	2,171.0	6.4	609.9	219.7	6,218.2

1-7 See Reference Notes following Table 7. * Less than \$50,000.

Table 7-8
Federal Social Service Expenditures, 1973/74
Disaggregation of Own Administered Expenditures to Selected Provinces and Cities
(millions of dollars)

	Canada Pension Plan ¹	Old Age ² Security	Veterans ³ Benefits	Unemployment ⁴ Insurance	Workers ⁵ Compensation	Family ⁶ Allowances	Social ⁷ Welfare and Other	Total
New Brunswick	10.0	99.6	27.1	100.9	0.1	32.6	10.0	280.3
Moncton	0.8	7.8	0.3	11.3	*	2.1	1.3	23.6
Ontario	148.7	1,064.0	172.8	647.8	1.4	355.4	77.3	2,467.4
Metro Toronto	39.7	262.5	42.1	157.9	0.4	84.9	23.3	610.8
Manitoba	17.6	168.2	39.2	62.2	0.2	35.9	10.7	334.0
Winnipeg	9.5	85.1	20.1	35.9	0.1	22.7	6.4	179.8
Saskatchewan	14.0	164.2	20.3	53.4	0.3	43.0	9.7	304.9
Saskatoon	1.7	19.2	2.8	11.2	*	5.8	2.5	43.2
Alberta	22.9	209.0	39.3	82.3	0.6	81.9	17.2	453.2
Edmonton	5.5	49.0	8.3	29.6	0.2	20.6	6.5	119.7
All Other	66.0	1,329.6	262.6	1,212.6	4.2	446.9	120.0	3,441.9
Total	279.2	3,034.6	561.3	2,159.2	6.8	995.7	244.9	7,281.7

1-7 See Reference Notes following Table 7. * Less than \$50,000.

Reference Notes to Table 7

1. Only a provincial breakdown is available from the Department of National Health and Welfare. Its breakdown includes several benefit categories: retirement pensions, disability benefits, children's benefits (disability), survivors' benefits (separately for widows, orphans and disabled widowers). Disaggregation of the expenditures to the selected cities is based on the city-provincial population ratios for certain broad age groupings which were applied as follows: retirement and adult survivors' benefits - population aged 65 and over; adult disability benefits (to other than disabled widowers) - population aged 20 to 64; children's benefits - population aged 0 to 19. At some future time it will be possible to obtain local data on these benefits through postal zone codes.

2. A provincial distribution of the total number of pensioners and the total amounts paid is provided in the Public Accounts of Canada. However, this cannot be further disaggregated to the city level by simply estimating the number of pensioners in each city, since the total pension amount consists of two parts: (i) a basic flat rate, Old Age Security amounts, and, (ii) varying amounts of Guaranteed Income Supplement, based on needs tests.

The Department of National Health and Welfare was able to supply sample-based estimates for April 1, 1972, of the number and percent of population over 65 receiving Old Age Security. Other data enabled a calculation of mean annual Guaranteed Income

Supplement and Old Age Security by province. From these two sources and other population data the total Guaranteed Income Supplement and Old Age Security payments for each city were estimated separately and summed to yield the figures presented in the Tables.

3. Detailed estimates were made from "district" data supplied by the Department of Veterans Affairs. However, district data did not relate well to provincial boundaries (except for New Brunswick) and separate estimates were made. (Details from Staff Working Paper.)
4. These have been disaggregated on the basis of information supplied by the Unemployment Insurance Commission. Data on net (after tax deductions) benefit cheque totals were available by District office and were obtained from the districts containing the five selected cities. Their records, however, are not kept by the Unemployment Insurance Commission itself, but by the Cheque Redemption Service of the Department of Supply and Services, in the form of monthly computer print-outs.

Net benefit cheque totals were grossed up, using national ratios, to obtain an estimate of pre-tax benefits. Included in this estimate is a portion of related administrative expenditures and special benefits to fishermen paid for separately by the Department of Manpower and Immigration. The resulting district expenditure estimates were then reduced to obtain the estimated amounts allocated in each of the selected cities. The method used is

based on caseload information provided by district managers: Moncton 40%, Winnipeg 69.2% based on averaging several surveys, Saskatoon 40% and Edmonton 65%. In the case of Toronto, the problem was too complex to unravel in the time available; however, more accurate methods would in future be available there. For the time being 90% is used.

5. The expenditure on Workers Compensation is the Federal government's contribution to the provincial Workmen's (Workers) Compensation Boards. Its breakdown to the provincial level is available from the Public Accounts of Canada. Since the provincial Workmen's Compensation Boards expenditures have not yet been disaggregated, the disaggregation of this expenditure item to the selected cities reflects per capita estimates.
6. The Public Accounts of Canada provide separate provincial breakdowns for Family Allowances, Youth Allowances and Family Assistance. The city-to-province ratios of the appropriate census age groups were used to estimate the amounts relevant to each city. Because single-year age groupings were not available from the Census for the selected cities, the numbers of 15-year-olds for Family Allowances, and of 16 and 17-year-olds for Youth Allowances, were estimated using the known provincial proportions of these single years to the surrounding 5 year age groupings. Family Assistance totals were redistributed into the Family Allowance and Youth Allowance groupings for the period up to

December 31, 1973, after which all such distributions were eliminated by new legislation.

7. Details provided in Tables 8 and 9.

Table 8

Federal Social Service Expenditures, 1972/73 and 1973/74

Disaggregation of Social Welfare Expenditures to Selected Provinces and Cities
(millions of dollars)

	1972/73		1973/74	
Manpower Trainees' Subsistence and Travel ¹	<u>146.2</u>		<u>150.4</u>	
Disaggregated to Provinces and Selected Cities:				
New Brunswick	7.2		7.2	
Moncton		1.5		1.2
Ontario	43.2		43.2	
Toronto		14.0		14.1
Manitoba	5.7		6.3	
Winnipeg		3.6		4.0
Saskatchewan	5.3		5.7	
Saskatoon		2.0		2.0
Alberta	9.4		10.3	
Edmonton		4.3		4.6
All Other	75.4		77.7	
 New Horizons ²	 <u>2.1</u>		 <u>8.6</u>	
Disaggregated to Provinces and Selected Cities:				
New Brunswick	0.2		0.3	
Moncton		0.1		*
Ontario	0.6		3.2	
Toronto		0.2		0.8
Manitoba	0.1		0.5	
Winnipeg		0.1		0.3
Saskatchewan	0.1		0.5	
Saskatoon		*		0.1
Alberta	0.1		0.6	
Edmonton		*		0.1
All Other	1.0		3.5	

* Less than \$50,000

Reference Notes to Table 8

1. Manpower trainee subsistence and travel expenditures are reported in the Public Accounts of Canada on a provincial basis. Their disaggregation to selected cities is based on information provided by the Manpower Training Branch, Program Analysis Division. The amounts allocated to each city were estimated from an existing coding of cheques issued by the Canada Manpower Centre which originally authorized the training.

Note also that these expenditure data do not reflect the actual cost of training. Expenditures classified as "social service" include only subsistence and travel expenditures of the manpower trainee. All other expenditures of the federal manpower training program are classified as "labour and employment".

2. New Horizon expenditures are reported in the Public Accounts of Canada on a provincial basis. Their further disaggregation to the selected cities is a first approximation based on the city-to-province ratio of population aged 65 and over.

Table 9

Federal Social Service Expenditures, 1972/73 and 1973/74
Disaggregation of Other Social Services to Selected Provinces and Cities¹
(millions of dollars)

	1972/73		1973/74	
<u>A. Identification of Expenditures</u>				
National Health and Welfare				
Departmental Administration(50%)	-		4.6	
Administration Income Security Program	30.2		35.7	
Improvement of Welfare Services	2.9		2.8	
Sundry Other Grants	1.6		2.4	
Indian and Eskimo Affairs	26.2		28.4	
Solicitor General, Parole and Community Services	7.9		8.9	
Company of Young Canadians	2.0		2.8	
All Other	0.6		0.3	
	<u>71.4</u>		<u>85.9</u>	
<u>B. Disaggregated to Provinces and Selected Cities:</u>				
New Brunswick	2.1		2.5	
Moncton	0.1		0.1	
Ontario	19.7		30.9	
Toronto	5.3		8.4	
Manitoba	3.2		3.9	
Winnipeg	1.8		2.1	
Saskatchewan	2.9		3.5	
Saskatoon	0.4		0.4	
Alberta	5.5		6.3	
Edmonton	1.5		1.8	
All Other	<u>38.0</u>		<u>38.8</u>	
	<u>71.4</u>		<u>85.9</u>	

¹ This Table indicates all items which could not be geographically allocated. Since in total they were about 1% of federal social expenditures it was reasonable to distribute them on a per capita basis.

Section III - Disaggregation of Provincial Social Service Expenditures to Selected Cities

This section describes the disaggregation of provincial government social service expenditures. Due to the nature of the study, which requires a detailed commentary on each expenditure item, and because of the varying manner in which social service programs are administered, each province is described separately.

The distinction made by the Tri-Level Task Force between "social welfare" and "other social services" was used to maintain an element of comparability between provincial social service expenditures. However, in analyzing each provincial government's expenditures certain inconsistencies in the treatment of "other social services" were noted. Furthermore, the Tri-Level Task Force data on special employment programs was not comparable between provinces.

For these reasons the distinction between "social welfare" and "other social services" was substituted by expenditures on public assistance, services and institutions, special employment programs, and administration and miscellaneous. In addition, the category "tax credits and rebates" was maintained.

Tri-Level Task Force data on provincial social service expenditures also include certain expenditures made by provincial Workmen's Compensation Boards. These expenditures have not been disaggregated because of technical difficulties. Workmen's Compensation Boards do not maintain records in a manner which aids in the identification of the geographic areas within which expenditures have been made. Estimates could be made

but would require special studies by each of the Workmen's Compensation Boards. However, given the limitation of time and resources this approach could not be followed and, as a result, Workmen's Compensation Board expenditures have not been disaggregated.

For each province the disaggregation of provincial social service expenditures is first described in general terms. The data are then set out in various Tables with reference notes appended explaining the sources and methods used in disaggregating a particular item of expenditure.

Disaggregation of New Brunswick Social Service Expenditures to the City of Moncton

New Brunswick social service expenditures are disaggregated to the City of Moncton in two steps. First, provincial government expenditures are disaggregated to the district level, one of which is District of Moncton, and, second, City of Moncton's share is estimated as a percentage (75%) of district expenditures. The disaggregation to the District of Moncton is based on accurate financial information, while City of Moncton's share is estimated on the basis of information provided by the District. The percentage used, however, is an average and as a result the disaggregation from district to city level is somewhat less accurate than the disaggregation from provincial to district level. The estimated margin of error is three to five per cent.

Expenditures classified as "social services" (except for Workmen's Compensation Board) approximate the expenditures of the Department of Social Services. Public Accounts data therefore could be used for the disaggregation of provincial social service expenditures to Moncton. However, New Brunswick Public Accounts are organized by vote and give very little information on programs involved. Program information was obtained from the Department of Social Services, in particular its Annual Reports for 1972/73 and 1973/74. These Annual Reports also provided information on expenditures by District.

The two source documents used, Public Accounts and Annual Reports, agree on total expenditures but details did not correspond. With the assistance of department officials it was possible to reconcile these two source

documents so that Annual Report data could be used to accurately disaggregate the province's social service expenditures to the District of Moncton.

The District of Moncton, however, serves approximately half of the County of Westmorland and the entire County of Albert and does not coincide with the City of Moncton. Adjustments to district expenditures therefore must be made in order to arrive at an estimate of provincial social service expenditures made in or for the City of Moncton. Such adjustments were made on the basis of information provided by District officials. The majority (85%) of district expenditures is in support of recipients living in urban areas. However, noting that City of Moncton does not constitute the entire urban area, this percentage has been reduced to 75%.

In Table 10 New Brunswick social service expenditures are set out first, as classified by the Tri-Level Task Force (Table 10) and second, identified as to government departments and special agencies (Workmen's Compensation Board) involved. For both years the expenditures of the Department of Social Services constitute the main component of "social service" expenditures. For 1973/74 two additional expenditure items have been included in the data prepared by the Tri-Level Task Force. These additional items have not been disaggregated to City of Moncton (Table 10, footnotes 3 and 4).

In Table 11 New Brunswick social service expenditures are re-classified following classifications adopted for the purpose of this study, e.g. public assistance, services and institutions, special employment programs,

tax credits and rebates, administration and miscellaneous.

Expenditure programs thus identified are disaggregated to the District of Moncton, following which City of Moncton's share is calculated as 75% of sub total district expenditures.

In summary, total provincial government expenditure on social service was \$49.6 million in 1972/73 and \$59.0 million in 1973/74. Expenditures accurately attributed to the District of Moncton totalled \$5.8 million in 1972/73 and \$7.0 million in 1973/74. Head Office expenditures were pro-rated to District offices on the basis of their annual expenditures, increasing Moncton District expenditures by \$0.1 million in 1972/73 and \$0.2 million in 1973/74. On average, 75% of total District expenditures were then allocated to the City of Moncton, thus estimating provincial social service expenditures in the City of Moncton at \$4.4 million in 1972/73 and \$5.2 million in 1973/74.

Table 10

New Brunswick Social Service Expenditures, 1972/73 and 1973/74Identification of Expenditures

(millions of dollars)

	1972/73	1973/74
A. <u>Tri-Level Task Force</u>		
Workers Compensation	6.5	7.9
Social Welfare	49.6	59.0
Tax Credits and Rebates		
Other Social Services		
Total, Social Services	<u>56.1</u>	<u>66.9</u>
B. <u>Expenditures Included</u>		
a. <u>Government Departments</u>		
Department of Social Services	49.6 ¹	57.7 ²
Department of Finance		1.1 ³
Department of Labour		0.2 ⁴
Sub Total	49.6	59.0
b. <u>Special Agencies</u>		
Workmen's Compensation Board ⁵	<u>6.5</u>	<u>7.9</u>
Total, Social Services	<u>56.1</u>	<u>66.9</u>

Reference Notes to Table 10

1. Differs from Public Accounts which gave a total expenditure of \$50.2 million. The difference (\$.6 million) was classified as "Health", but details of the expenditures involved could not be identified.
2. Does not include "Vocational Rehabilitation" (\$.3 million) which was re-classified as "Health". The same program, however, was included in "Social Service" expenditures of 1972/73.
3. This expenditure was not disaggregated, because it could not be identified in New Brunswick Public Accounts. Under Department of Finance, Details of Expenditures, the items which could account for this expenditure (\$1,155,000.00) are:

	(thousands of dollars)
- Payment to Receiver General for Canada	1,035
- Provincial contribution to	
- General Superannuation	2,000
- Judges Superannuation	74
- Ministers and Members Superannuation	60
- Pensioners' cost of living benefits	440
4. This comprised expenditures for Compensation of Silicosis and Equalization of Compensation Benefits. These expenditures were related to compensation benefits paid under "Claims - Workmen's Compensation Board". Since these claims were not classified as

social services (although similar expenditures of the Workmen's Compensation Board itself were classified as social services), they were not disaggregated.

5. Workmen's Compensation Board expenditures for 1972/73 were accurately identified as including: claims for temporary total disability, payments to pensioners, miscellaneous claims and administration. Taking the corresponding expenditure items of 1973/74 generated a total of \$7.2 million. The remaining \$0.7 million could not be identified. It should be noted that Workmen's Compensation Board expenditures have not been disaggregated.

Table 11

New Brunswick Social Service Expenditures, 1972/73 and 1973/74
Identification of Expenditures and Disaggregation to Moncton¹
 (millions of dollars)

	1972/73			1973/74		Refer- ence Notes
	Provincial ³ Government	Allocated to District of ⁴ Moncton	City of Moncton	Provincial ³ Government	Allocated to District of ⁴ Moncton	City of Moncton
Expenditure Program 2						
A. <u>Summary</u>						
Public Assistance	37.5	3.7	2.8	41.9	4.0	3.0
Institutions and Services	7.9	1.6	1.2	10.1	2.3	1.7
Special Employment						
Tax Credits and Rebates	4.8	0.5	0.4	6.0	0.7	0.5
Administration and Other						
Total, Social Service Expenditures, excluding Workmen's Compensation Board	50.2	5.8	4.4	58.0	7.0	5.2
B. <u>Details</u>						
<u>Public Assistance</u>						
Social Assistance	35.4	3.5		39.5	3.8	
Child Welfare	2.1	0.2		2.4	0.2	
Sub Total	37.5	3.7	2.8	41.9	4.0	3.0
						5

Table 11 - continued

Expenditure Program	1972/73			1973/74			Refer- ence Notes
	Provincial Government	Allocated to District of Moncton	City of Moncton	Provincial Government	District of Moncton	City of Moncton	
<u>Institutions and Services</u>							
Child Welfare	1.6	1.5		2.0	2.1		6
Nursing Homes	5.5	0.1		6.5	0.2		7
Social Development Projects	0.8			1.6			8
Sub Total	7.9	1.6	1.2	10.1	2.3	1.7	
<u>Special Employment Programs</u>							
Tax Credits and Rebates							9
<u>Administration and Other</u>							10
Head Office	1.3	0.1		1.8	0.2		11
District Offices	3.5	0.4		4.2	0.5		12
Sub Total	4.8	0.5	0.4	6.0	0.7	0.5	
Total, Social Service Expenditures, excluding Workmen's Compensation Board	50.2	5.8	4.4	58.0	7.0	5.2	

Reference Notes to Table 11

1. The disaggregation of provincial government expenditures on social services to the City of Moncton proceeded in two steps. First, expenditures of the District of Moncton were identified. Second, district expenditures were allocated to City of Moncton on the basis of information provided by the District of Moncton. Briefly, this implied that, on average, 75% of district expenditures would be in or for recipients living within the City of Moncton.
2. Expenditure programs were identified in terms which closely corresponded to the terms used in the Department of Social Services Annual Report. However, in Table 11 these programs are organized differently than in the Annual Report so as to suit the format of presentation chosen, i.e. expenditure programs are classified as: public assistance, services and institutions, special employment programs, tax credits and rebates, and administration.
3. The expenditures listed were taken from New Brunswick Social Services Annual Reports, 1972/73 and 1973/74. These could be reconciled with the Public Accounts data but provided a much better basis for disaggregation to sub-provincial areas than the Public Accounts themselves.
4. Except for Head Office expenditures, the allocation of provincial expenditures to the District of Moncton was based on accurate

information provided in the Annual Reports of the Department of Social Services.

5. Includes Blind and Disabled Persons Allowances.
6. Includes Nova Scotia School for Girls (\$0.1 million in 1972/73 and \$0.2 million in 1973/74), normally classified as "correctional services", and Dr. William Roberts School, Saint John (\$1.5 million in 1972/73 and \$1.8 million in 1973/74), which is a school for mentally and physically handicapped children to 16 years of age. No attempt has been made to explicitly disaggregate these expenditures to Moncton, i.e. attempting to identify the extent to which these institutions provided services to Moncton residents.
7. Includes Miramichi Rehabilitation Centre which provides social and vocational training to mentally handicapped persons aged 16 years and older; and Jordan Memorial Home which provides care and rehabilitation to persons aged 55 years and over. One of these homes, Jordan Memorial, is located in the District of Moncton. Its expenditures, \$0.7 million in 1972/73 and \$0.9 million in 1973/74, are included in District of Moncton expenditures. Hence, 75% of these expenditures were allocated to the City of Moncton. This may overstate the services provided to Moncton residents, but is balanced by not allocating any expenditures of similar institutions located elsewhere, i.e. Dr. William Roberts School and Miramichi Rehabilitation Centre.

8. Includes Work Activity and Community Self-Help projects.
District of Moncton's share of these expenditures was as indicated.
9. Special employment programs, if provided in New Brunswick have not been identified as social service expenditures.
10. As 9 above.
11. Includes expenditures on departmental administration, appeal boards, program development, vocational rehabilitation and some grants. No attempt was made to disaggregate these expenditures on an item-by-item basis. The amount allocated to District of Moncton was estimated by pro-rating Head Office expenditures to District offices on the basis of their annual expenditures, resulting in \$0.1 million being allocated for 1972/73 and \$0.2 million for 1973/74.
12. Accurate information on District office administration expenditures was provided in the Annual Reports.

Disaggregation of Ontario Social Service Expenditures
to the Municipality of Metropolitan Toronto

The disaggregation of Ontario social service expenditures is based primarily on Public Accounts information supplemented by corroborative information supplied by the Ministry of Community and Social Services. For Fiscal 1973/74 the Ministry has analyzed the degree of government participation, by level of government, for the expenditures made in sub-provincial geographic units, generally counties but including a separate statement on Metropolitan Toronto. Information on social service expenditures¹ was made available for the purpose of the Tri-Level Task Force disaggregation study.

The Ministry Tables were checked against Public Accounts data, except for one expenditure item (family benefits) on which there were no details provided in the Public Accounts. However, these Ministry Tables only dealt with transfer payments of the Ministry of Community and Social Services.

The concept of social services adopted by the Tri-Level Task Force is both wider in that it includes certain expenditures made by other Ministries, and narrower in that it excludes the Community Services programs of the Ministry of Community and Social Services. Nevertheless these Ministry tables have been helpful in identifying Public Accounts items relevant to the Toronto Metropolitan area.

Source: Provincial, federal, municipal and other participation in expenditures and capital expenditures, fiscal year ending March 31, 1974, Table 16 (Ontario) and Table 62 (Metropolitan Toronto). These tables will be referred to as the Ministry Tables.

Expenditure items not included in the Ministry Tables but part of the Tri-Level Task Force social services concept were easily identified in the Ontario Public Accounts. However, these items could not be accurately disaggregated because of a "loss" of information. Excepting Ontario tax credits and the farm tax reduction program, the programs which could not be accurately disaggregated were part of the Ministry of Treasury, Economics and Intergovernmental Affairs. The expenditure details (Public Accounts, Vol.3) of this Ministry are not presented on a program by program basis, but only for the Ministry as a whole. As a consequence, the expenditure program of this Ministry classified by the Tri-Level Task Force as a social service expenditure could not be disaggregated, although the expenditures of this Ministry as a total can be disaggregated to municipalities.

Ontario tax credits also posed a problem. Ontario tax credits¹ for 1973/74 were credits against provincial personal income tax payable for taxation year 1972. These credits included property tax credits, sales tax credits and pensioners' tax credits. The sum total of tax credits to any one person filing a tax return did not exceed \$500 but details on recipients of tax credits were not available from Ontario provincial government nor from Revenue Canada. However, the Ontario government has published a Table showing the distribution of property tax relief measures for 1970 and 1973 by county and selected urban areas.² This Table indicates an amount of \$82.0 million being returned to taxpayers living in the Metro Toronto area.

¹ The total amount involved is reported in Ontario Public Accounts as a footnote on personal income tax revenue.

² Supplement to 1975 Ontario Budget: 1975 Ontario Assistance to Local Government and Taxpayers, Ontario's Property Tax Relief Programs 1970 and 1973.

In disaggregating Ontario social service expenditures care must be taken to distinguish between transfer payments to local governments and transfer payments to recipients other than local governments (e.g. persons, households, institutions and enterprises). In Ontario, the provision of social services is a significant local government responsibility but is, to a large extent, financed from provincial revenues.

In line with the approach adopted by the Tri-Level Task Force, such transfer payments were counted as an expenditure at the level of government where the final expenditure is made, e.g. provincial social service transfers were counted as local government expenditures. Presenting the data in this manner made interprovincial comparisons of provincial government expenditures more difficult. However, at the local level a comparison could be made between municipal government social service expenditures in Ontario and certain types of district expenditures in other provinces. Furthermore, if a complete set of data were prepared including municipal government expenditures on social services, a comparison would be possible between the total of all social service expenditures by each level of government within a given area.

Ontario social service expenditures as prepared by the Tri-Level Task Force are first summarized in Table12-A, and in Table12-B the expenditures involved are identified by government departments and special agencies (Workmen's Compensation Board). In Table13 these expenditures are identified in greater detail indicating the various programs involved, as well as distinguishing between expenditures classified as social welfare, tax credits and rebates, and other social services.

In Table 14 expenditure programs are reclassified following the scheme adopted for the purpose of this study, i.e. public assistance, services and institutions, special employment programs, tax credits and rebates, and administration. In addition, in Table 14 these expenditures are disaggregated to Toronto, making a distinction between payments made to local governments and other recipients in the Metropolitan Toronto area.

In summary Ontario social service expenditures have been accurately disaggregated to Toronto with the exception of the programs operated by Ministries other than the Ministry of Community and Social Services and the Workmen's Compensation Board.

Total social service expenditures were \$593.5 million in 1972/73 and \$835.6 million in 1973/74. Excluding Workmen's Compensation Board expenditures these figures are \$474.2 million and \$679.8 million, respectively. For 1972/73 an amount of \$75.2 million has been allocated to Toronto area residents and \$54.9 million to Toronto local governments. For 1973/74 these amounts were \$163.7 and \$47.0 million respectively.

Table 12

Ontario Social Service Expenditures, 1972/73 and 1973/74Identification of Expenditures

(millions of dollars)

	1972/73	1973/74
A. <u>Tri-Level Task Force</u>		
Workers Compensation	119.3	155.8
Social Welfare	394.4	454.1
Tax Credits and Rebates	38.0	207.9
Other Social Services	41.8	17.8
Total, Social Services	593.5	835.6
B. <u>Expenditures Included</u>		
a. <u>Government Departments</u>		
Community and Social Services	407.3	442.6
Treasury, Economics and		
Intergovernmental Affairs	48.8	29.5
Agriculture	18.1	25.9
Revenue		181.8
Sub Total	474.2	679.8
b. <u>Special Agencies</u>		
Workmen's Compensation Board	119.3	155.8
Total, Social Services	593.5	835.6

Table 13

Ontario Social Service Expenditures, 1972/73 and 1973/74
 Identification of Expenditures by Programs and Classifications
 (millions of dollars)

Expenditure Program ¹	1972/73			1973/74		
	Social Welfare	Other	Tax Credits	Social Welfare	Other	Tax Credits
<u>Ministry of Community and Social Services</u>						
Assistance and Rehabilitation						
Children's Services	333.9	7.5		375.5 ²		
Administration	60.5	5.4		61.4	7.0 ²	
Employee Benefits				0.2	(1.5) ³	
Sub Total	394.4	12.9		437.1	5.5	
<u>Ministry of Treasury, Economics and Intergovernmental Affairs</u>						
Municipal Employment Programs		28.9		17.0	12.3	
Ontario Pensioners Assistance			19.9			0.2
Benefits to Pensioners			19.9	17.0	12.3	0.2
Sub Total		28.9				
<u>Other Ministries</u>						
Ministry of Agriculture,						
Farm Tax Reduction Programs			18.1			25.9
Ministry of Revenue,						
Ontario Tax Credits			18.1			181.8
Sub Total						207.7
Total, Social Service Expenditures, excluding Workmen's Compensation Board	394.4	41.8	38.0	454.1	17.8	207.9

Reference Notes to Table 13

1. The Tri-Level Task Force has classified Ontario employee benefits as a "general government" expenditure. In Ontario Public Accounts employee benefits are considered a program expenditure and, hence, must be netted out. For 1972/73 this was done on a program by program basis but for 1973/74 a different procedure was followed.
2. These expenditures include employee benefits.
3. Employee benefits have been netted out as a total, rather than separately on a program by program basis.

Table 14
Ontario Social Service Expenditures, 1972/73 and 1973/74
Disaggregation to Toronto
(millions of dollars)

Expenditure Program	1972/73			1973/74		Refer- ence Notes
	Provincial Government	Allocated to To Area Residents	Allocated to Toronto To Local Government	Provincial Government	Allocated to To Area Residents	Allocated to Toronto To Local Government
<u>A. Summary</u>						
Public Assistance	255.7	40.4	29.5	277.0	47.4	25.4
Institutions and Services	127.7	24.7	15.5	154.4	28.5	16.6
Special Employment	28.9		7.8	12.3		3.2
Tax Credits and Rebates	38.0	5.4		207.9	82.0	
Administration and Other	23.8	4.7	2.1	28.2	5.8	1.8
Total, Social Service Expenditures, excluding Workmen's Compensation Board	474.2	75.2	54.9	679.8	163.7	47.0
<u>B. Details</u>						
<u>Public Assistance</u>						
Income Maintenance	158.3	40.4		186.5	47.4	
Family Benefit Allowances	94.8		29.5	90.5		25.4
General Welfare Allowances	2.7					
Dental Services	255.8	40.4	29.5	277.0	47.4	25.4
Sub Total						
						1 2 3

Table 14 - continued

Expenditure Program	1972/73			1973/74		Reference Notes
	Provincial Government	Allocated to Area Residents	Allocated to Toronto To Local Government	Provincial Government	Allocated to Area Residents To Local Government	
<u>Institutions and Services</u>						
Services for Adults						
Homes for the Aged	57.9	5.1	11.1	62.5	4.2	4
Homemakers and Other Services	2.8	0.2	0.8	4.6	0.2	5
Children's Services						
Child Welfare	39.9	15.2		41.7	14.8	6
Children and Youth Institutions	5.3	1.3		6.6	1.5	7
Day Nursery Services	14.0	0.1	3.6	11.7	0.2	8
Rehabilitation Services	7.8	2.8		10.3	3.0	9
Assistance to Pensioners				17.0	4.6	10
Sub Total	<u>127.7</u>	<u>24.7</u>	<u>15.5</u>	<u>154.4</u>	<u>28.5</u>	
<u>Special Employment</u>						
Provincial-Municipal Employment Incentives	28.9		7.8	12.3		11
Sub Total	<u>28.9</u>		<u>7.8</u>	<u>12.3</u>	<u>3.2</u>	

Table 14 - continued

Expenditure Program	1972/73			1973/74		Refer- ence Notes
	Provincial Government	Allocated to Toronto To Area Residents	Allocated to Toronto To Local Government	Provincial Government	Allocated to Toronto To Area Residents	
<u>Tax Credits</u>						
Ontario Tax Credits	18.1			181.8	82.0	12
Farm Tax Reductions	19.9			25.9		13
Benefits to Pensioners		5.4		0.2		14
<u>Sub Total</u>	<u>38.0</u>	<u>5.4</u>		<u>207.9</u>	<u>82.0</u>	
<u>Administration</u>						
Ministry Administration	5.4	1.5		6.8	2.0	15
Assistance and Rehabilitation						
Income Maintenance	7.5	1.8		8.8	2.2	16
All Other Programs	3.3	1.0		4.3	1.2	17
Childrens Services	1.3	0.4		1.4	0.4	18
Welfare Subsidies, re						
Municipal Administration Cost	6.3		2.1	6.9	1.8	19
<u>Sub Total</u>	<u>23.8</u>	<u>4.7</u>	<u>2.1</u>	<u>28.2</u>	<u>5.8</u>	
Total, Social Service Expenditures, excluding Workmen's Compensation Board	<u>474.2</u>	<u>75.2</u>	<u>54.9</u>	<u>679.8</u>	<u>163.7</u>	

Reference Notes to Table 14

1. Includes Family Benefit Allowances and a residual amount (\$0.3 million in each year) primarily Blind and Disabled Persons allowances.

For 1973/74 the disaggregation of Family Benefits to Toronto is based on information prepared by the Ministry of Treasury, Economics and Intergovernmental Affairs (Ministry Tables).

For 1972/73 similar data was not available and 1972/73 Family Benefits were allocated to Toronto using the same percentage (25.5%) which resulted from disaggregating 1973/74 Family Benefits.

2. Disaggregation of General Welfare Allowances to Toronto was based on information from Ontario Public Accounts, which identified the expenditure as a transfer payment to the Municipality of Metropolitan Toronto.
3. Dental Services Benefit Payments under the Family Benefits Act, and some miscellaneous grants, were considered a "social service" expenditure in 1972/73, but a "health" expenditure in 1972/73. Accordingly these "health" expenditures, were not disaggregated for 1972/73.
4. Includes operation and maintenance subsidies and capital grants to Municipal and Charitable Homes for the Aged. Expenditures for Municipal Homes for the Aged increased from \$45.2 million in

1972/73 to \$50.2 million in 1973/74. For Charitable Homes for the Aged the corresponding amounts were \$11.7 million and \$12.3 million respectively. This includes certain subsidies and grants made under the Ministry of Community and Social Services Act.

The disaggregation of these expenditures to Toronto was based on Public Accounts information and Ministry Tables.

5. The main items of expenditure included in grants to Municipalities were Homemakers and Nurses' Services (\$82.3 million in 1972/73, and \$83.1 million in 1973/74). It also included subsidies and grants under the Elderly Persons Act and the Ministry of Community and Social Services Act, and minor grants to various organizations.
6. Included are operation and maintenance subsidies and capital grants to Childrens' Aid Societies which were disaggregated on the basis of Public Accounts information.
7. Included are operation and maintenance subsidies and capital grants under the Charitable Institutions Act, the Childrens' Institutions Act, and the Homes for Retarded Persons Act. Disaggregation to Toronto was based on Public Accounts information and Ministry Tables.
8. According to the Public Accounts these expenditures were mainly transfer payments to Municipal governments under the Day Nurseries Act. However, they also included grants to Associations for the

Mentally Retarded. In both cases recipients and the amounts involved are documented in the Public Accounts.

9. Included are transfer payments (allowances, tuition and supplies) under the Vocational Rehabilitation Services Act; operating and capital grants to sheltered workshops; and certain administration grants.

In addition to Public Accounts information, the disaggregation of 1973/74 expenditures was based on Ministry Tables. For 1972/73 the allocation of maintenance allowances was based on Toronto's share of tuition and supplies, which were identified in the Public Accounts.

10. This assistance program to pensioners was provided by the Ministry of Treasury, Economics and Intergovernmental Affairs. However, Public Accounts did not provide any details on recipients (see Reference Note 11) and these expenditures were allocated on a per capita basis (27%). The program did not exist in 1972/73.
11. The Provincial-Municipal Employment Incentive Program was the responsibility of the Ministry of Treasury, Economics and Intergovernmental Affairs. This expenditure item could not be disaggregated to Toronto in an accurate manner, but rather was allocated on a per capita basis. Public Accounts, Vol. 3, details of expenditure of the Ministry of Treasury, Economics and Intergovernmental Affairs combined transfer payments for all

programs operated by the Ministry into one total and then provided information on the distribution of these payments. It was not possible, therefore, to identify the amounts transferred under each separate program, as was possible from the details provided by the Ministry of Community and Social Services.

12. Source: Ontario Government, Supplement to 1975 Ontario Budget: 1975 Ontario Assistance to Local Government and Taxpayers, Ontario's Property Tax Relief Programs 1970 and 1973.
13. Assumed not relevant to Toronto residents.
14. Expenditure program under the responsibility of Ministry of Treasury, Economics and Intergovernmental Affairs could not be disaggregated accurately for reasons explained in 10 above. Allocated on a per capita basis (27%).
15. Department Administration included expenditures for main office regional administration, various departmental services and demonstration project grants.

In consultation with Ministry officials, regional administration was allocated a somewhat higher percentage (30%) than the per capita expenditure (27%) used for main office expenditure and departmental services.

16. Allocated in ratio of family benefits received (25%).
17. Includes administration of Services for Adults, mainly Homes for the Aged, and Rehabilitation Services, as well as Family Services and Legal Aid Assessment Programs. Expenditures were allocated to Toronto in ratio to benefits received from Homes for the Aged (20%) and Rehabilitation Services (35%). Family Services and Legal Aid Assessment was allocated on a per capita basis (27%).
18. Includes administration of Child Welfare Services, Children and Youth Institutions and Day Nursery Services. Allocated in ratio to benefits received (28%).
19. Source: Public Accounts, Details of Expenditure, Ministry of Community and Social Services.

Disaggregation of Manitoba Social Service Expenditures
to the City of Winnipeg

Manitoba government expenditure classified by the Tri-Level Task Force as Social Service includes primarily the income security programs of the Department of Health and Social Development. It also includes special employment expenditures through various departments and tax credit items which, in 1972/73, were under the department of Education. In 1973/74 tax credits came under the newly created Education Property Tax Credit Plan.

Social service expenditures of the Department of Health and Social Development (\$79 million in 1972/73 and \$72 million in 1973/74) were, with a few exceptions, disaggregated to Winnipeg through accounting records maintained for each district by the Department budget officials. Four such districts were involved in the accounts for 1972/73 but were consolidated into one for the subsequent year. For the very few categories where such district records did not exist, informed estimates by officials familiar with the data were used.

Satisfactory estimates were developed for the tax credit items (\$9.9 million in 1972/73, \$42.0 million in 1973/74) through detailed examination of tax records undertaken by officials of the Manitoba Department of Finance. While there is some question as to time periods involved, the approach used provided satisfactory data for pro-rating the actual cash receipts referred to in the Public Accounts and hence in the Tri-Level Task Force data.

Special employment projects was a less satisfactory item. It was not possible to reconcile the Public Accounts items involved with the available data on Winnipeg vs. non-Winnipeg commitments of funds. A rough approximation has been made. The technique is outlined in Note 9 of Table 16.

While current expenditure for social benefits and services have been satisfactorily disaggregated, capital-related expenditure items and payments related to claims could not be accurately disaggregated.

Excluding expenditures of the Workmen's Compensation Board which were not disaggregated, gross social expenditure by the Manitoba government in 1972/73 was \$94 million, of which \$50 million was of direct benefit to residents of Winnipeg. For 1973/74 the corresponding figures were \$127 million of provincial expenditure with \$70 million related to Winnipeg. An additional \$5 million (out of \$9 million) would likely accrue to Winnipeg if Workers Compensation expenditures were also disaggregated.

Provincial social expenditure totals for both years include approximately \$40 million transferred by the federal government to the Manitoba government for shared-cost social welfare programs. They do not include an additional \$300 million (1972/73) and \$335 million (1973/74) spent directly in Manitoba for social purposes by the federal government, portions of which have been disaggregated to Winnipeg. (See Federal section of this study.)

Details of how the Winnipeg portion of the Manitoba government's social expenditure was determined are provided in Table 16 and in the notes appended to it.

Table 15

Manitoba Social Service Expenditures, 1972/73 and 1973/74Identification of Expenditures

(millions of dollars)

	1972/73	1973/74
A. <u>Tri-Level Task Force</u>		
Workers Compensation	9.4	9.1
Social Welfare	83.3	83.5
Tax Credits and Rebates	9.8	42.0
Other Social Services	0.8	1.8
Total, Social Services	103.3	136.4
B. <u>Expenditures Included</u>		
a. <u>Government Departments</u>		
Health and Social ₂ Development ¹	79.0	71.8
Other Departments ²	14.9	55.5
Sub Total	93.9	127.3
b. <u>Special Agencies</u>		
Workmen's Compensation Board	9.4	9.1
Total Social Services	103.3	136.4

Reference Notes to Table 15

1. \$1.7 million of this amount in 1972/73 was from Capital Division accounts. For 1973/74 this was \$0.3 million.

2. Other Department Accounts were as follows:

	<u>1972/73</u>		<u>1973/74</u>	
	Revenue Division	Capital Division	Revenue Division	Capital Division
Tourism, Recreation and Culture	1.1			2.2
Colleges and Universities				1.1
Municipal Affairs		0.9		
Education	9.9	0.5	0.2	
Education Property Tax Credit Plan			42.2	
Mines and Resources	0.7			0.7
Finance	0.3			0.5
Northern Affairs	0.2	0.3	1.2	
Public Works	0.1	0.1		7.4
Hospital Services Commission		.8		
	<hr/>	<hr/>	<hr/>	<hr/>
	12.3	2.6	43.6	11.9

Table 16

Manitoba Social Service Expenditure, 1972/73 and 1973/74
Identification of Expenditures and Disaggregation to Winnipeg
 (millions of dollars)

Expenditure Program	1972/73		1973/74		Reference Notes
	Manitoba	Winnipeg	Manitoba	Winnipeg	
A. <u>Summary</u>					
Public Assistance	64.1	36.1	56.3	34.0	
Institutions and Services	11.2	4.5	14.5	5.9	
Special Employment	7.8	2.9	11.9	4.2	
Tax Credits and Rebates	9.8	6.3	42.0	25.0	
Administration and Other	1.0	0.5	2.6	1.5	
Total, Social Service Expenditures, excluding Workmen's Compensation Board	93.9	50.3	127.3	70.6	
B. <u>Details</u>					
<u>Public Assistance</u>					
Basic	48.5	25.6	40.8	23.8	1
With Dependent Children	7.1	3.2	8.5	4.1	2
Disabled and Blind	0.4	0.1	0.3	0.1	3
Municipal	8.1	7.2	6.7	6.0	4
	64.1	36.1	56.3	34.0	

Table 16 - continued

Expenditure Program	1972/73		1973/74		Reference Notes
	Manitoba	Winnipeg	Manitoba	Winnipeg	
<u>Institutions and Services</u>					
Field Social Services	5.6	2.0	7.1	3.2	5
Share of External Programs	3.7	2.2	3.2	2.2	6
Vocational Rehabilitation	1.0	0.1	1.0	*	7
Work Activity Projects	0.8	0.2	1.7	0.5	8
Northern Manpower Corps	*	-	1.2	-	9
Homes for Elderly and Infirm	0.1	n.a.	0.3	n.a.	
Sub Total	11.2	4.5	14.5	5.9	
<u>Special Employment</u>					
PEP, '73 Pensioner's Housing Grants	1.2				
Winter Works, Rev. Division	2.4		11.9		
Winter Works, Cap. Division	4.2				
Sub Total	7.8	2.9	11.9	4.2	10

Table 16 - continued

Expenditure Program	1972/73		1973/74		Reference Notes
	Manitoba	Winnipeg	Manitoba	Winnipeg	
<u>Tax Credits</u>					
School Tax Rebate	0.3	0.2			11
Residential Property Tax Credit	9.5	6.1			12
Education Property Tax Credit					
Payments			24.5	15.3	13
Advances			17.5	9.7	14
Sub Total	9.8	6.3	42.0	25.0	
<u>Administration and Other</u>					
Share of Departmental Administration	-		0.8		
Income Security, Overhead	0.8		0.7		
Administration, Property Tax Credits	0.1		0.2		
Guaranteed Annual Income	0.1		0.9		15
Sub Total	1.0	0.5	2.6	1.5	16
Total, Social Service Expenditures excluding Workmen's Compensation Board	93.9	50.3	127.3	70.6	

Reference Notes to Table 16

1. The Winnipeg portion of Basic Public Assistance was derived from special cost summaries maintained by the Department of Health and Social Services. Cost summaries are prepared by region and for most programs. (For an exception, see Reference Note 2)
2. For this item (assistance re:dependent children) the department's cost summaries only referred to assistance issued directly by the Department Head Office. Most of the Winnipeg assistance is provided via the Children's Aid Society of Winnipeg or through another account known as Special Dependent Care. However, for this account, a regional breakdown of actual payments was not kept and the budget accountant's estimate of 75% being for Winnipeg was accepted. This was added to the amount of subsistence allocated to the Winnipeg Children's Aid Society and both were added to the actual amount of Winnipeg Region shown in the Maintenance of Children account.
3. See Note 1 above.
4. See Note 1 above.
5. Special cost summary by program by region provided the Winnipeg portion of all this item for 1972/73 and those that appeared under this heading in the 1973/74 Public Accounts. In the later year the figure shown also included \$163,000 of Child Protection Service. The corresponding 1972/73 item had been omitted. This expenditure was allocated on the basis of the number of children in public care.

6. External programs in Manitoba Public Accounts are given as \$4.8 million in 1972/73 and \$5.6 million in 1973/74. These include some health-related items and only part of Public Account expenditures has been classified "social service".

The disaggregation of these expenditures is based on a listing of departmental grants to external organizations published by the Department of Health and Social Development in its Annual Report. This listing is prepared from grant authorization data rather than cash payments made and does not fully agree with Public Accounts data. After eliminating health-related grants, the remainder of the list was screened by the Grant Application office to indicate those organizations located in Winnipeg and those having national or province-wide activities. The remainder were considered to have been made elsewhere in the province. While the resulting three totals did not reconcile with the amounts classified "social service" expenditures, nor with the Public Accounts items in question, the proportions involved were used to pro-rate the expenditures classified "social service" between Winnipeg and the rest of the province.

7. See Note 1 above.
8. See Note 1 above.
9. Not relevant to Winnipeg area.

10. While the funds paid out in this field are shown under ten different departments, persons close to the Winter Works allocations and the Provincial Employment Program, produced print-outs indicating that a great variety of sources of funds was involved, including payments out of capital appropriations for prior years. While a lengthy study might reconcile this information with Public Accounts data, this was not practicable in the time available for the present study.

Instead, data on the Provincial Employment Programs for years ending May 1973 and May 1974 were analyzed to determine the proportions of Winnipeg regional expenditure authorizations. These proportions were used to pro-rate the amounts from the Public Accounts that were included in the statistics. The resulting disaggregation should be considered as tentative because the two types of data involved, while totalling the same for the two-year period as a whole, were quite different for the individual years. Assuming this was caused by a lag in the completions of work authorized in the first of the two years, the first year's Winnipeg ratio was applied to an equalizing portion of the second year's data.

11. This small item was distributed on the same basis as item 12 below.
12. Officials of the Federal-Provincial Relations and Research Division of the provincial Department of Finance did a detailed examination of tax records, concluding that \$7,908,250 out of \$12,500,000 was

paid to Winnipeg residents. Since the \$12,500,000 included more than one year's tax records, the resulting amount was pro-rated over the amount shown as paid in the 1972/73 payments.

13. Since this item reflected reductions in income taxes payable, print-outs of tax tapes for the 1972 taxation year were examined. This showed that 62.5% of total tax credits paid went to taxfilers with Winnipeg addresses. This percentage was then applied to the exact amount shown in Public Accounts.
14. This was allocated on the same basis as Item 12, except that since the provincial totals corresponded to Public Accounts claim records, it was not necessary to do any pro-rating.
15. Since the Guaranteed Annual Income Project was in the early planning stages during these periods, with no geographically identifiable payment of benefits, it was included as overhead and pro-rated in accordance with the sum of the items under Public Assistance and Institutions and Services.
16. Pro-rated in accordance with the sum of the items under Public Assistance and Institutions and Services, resulting in 53% being allocated to Winnipeg in 1972/73 and 57% in 1973/74.

Disaggregation of Saskatchewan Social Service Expenditures to the City of Saskatoon

Saskatchewan social service expenditures, with a few exceptions, were accurately disaggregated to either the District of Saskatoon or the City of Saskatoon. The main source documents used were Saskatchewan Public Accounts, Annual Reports of the Department of Social Services and the Quarterly Statistical Review of the same department. In addition, supplementary information was provided by various departments concerned.

The 1972/73 Saskatchewan Public Accounts provided a breakdown of several expenditures to the district level, but the same degree of detail was not provided in 1973/74 Public Accounts. However, information on expenditures by district was available from the Annual Reports of the Department of Social Services and was used after it had been established that these Annual Reports agreed with the expenditures reported in the Public Accounts. Annual Reports also provided useful information on the nature of services provided by various institutions and other information necessary for a correct interpretation of the expenditures classified as "Social Services" by the Tri-Level Task Force.

Where Annual Reports were inadequate, the Quarterly Statistical Review, published by the Department of Social Services, generally provided the details which were used for disaggregation to the district level. However, accurate information on social service expenditures in the City of Saskatoon itself was not available for some of the main public

assistance programs. In these cases City of Saskatoon's share of these expenditures was estimated at 80% of district expenditures on these programs. This percentage reflects the amount of Saskatoon district expenditures spent in urban areas. Considering that the City of Saskatoon is the only urban area in the district this percentage was used.

Social service expenditures on "services and institutions" generally were disaggregated to the City of Saskatoon on the basis of detailed information contained in the Public Accounts and Annual Reports. In cases where these sources were incomplete or contradictory, special assistance from department officials was obtained.

One type of institution, training schools for the mentally retarded, was not disaggregated. Presumably, these schools (of which there are two) serve the entire province. Disaggregating the costs of operating these schools on the basis of location was not satisfactory. The alternative, allocation on the basis of population served, required information on the distribution of client population over the entire province. This type of information was not available and as a consequence these expenditures have not been disaggregated.

In summary, Saskatchewan social services totalled \$105.3 million in 1972/73 and \$130.7 million in 1973/74. Excluding Workmen's Compensation Board expenditures (which have not been disaggregated), these amounts

are reduced to \$95.7 million and \$119.6 million, respectively. With the exception of training schools for the mentally retarded, involving a total expenditure of \$2.4 million in 1972/73 and \$7.4 million in 1973/74, all expenditures were accurately disaggregated to City of Saskatoon, resulting in \$15.0 million being allocated for 1972/73 and \$17.3 million for 1973/74.

Table 17

Saskatchewan Social Service Expenditures, 1972/73 and 1973/74Identification of Expenditures

(millions of dollars)

	1972/73	1973/74
A. <u>Tri-Level Task Force</u>		
Workers Compensation	9.6	11.1
Social Welfare	67.1	75.3
Tax Credits and Rebates	18.7	30.2
Other Social Services	9.9	14.1
Total, Social Services	<u>105.3</u>	<u>130.7</u>
B. <u>Expenditures Included</u>		
a. <u>Government Departments</u>		
Social Services	66.9	78.1
Municipal Affairs	24.0	33.2
Labour	2.8	
Youth and Culture		1.0
Northern Saskatchewan	1.2	5.8
Human Resources Development		
Agency	0.8	1.3
Government Services	*	0.2
Sub Total	<u>95.7</u>	<u>119.6</u>
b. <u>Special Agencies</u>		
Workmen's Compensation Board	<u>9.6</u>	<u>11.1</u>
Total, Social Services	<u>105.3</u>	<u>130.7</u>

* Less than \$50,000

Table 18

Saskatchewan Social Service Expenditures, 1972/73 and 1973/74

Identification of Social Welfare and Other Social Service Expenditures by Programs
(millions of dollars)

Expenditure Program	1972/73		1973/74	
	Social Welfare	Other	Social Welfare	Other
Department of Social Services				
Administration, including Welfare Training				3.2 ¹
Saskatchewan Assistance Plan	49.3	1.8	53.1	
Childcare, including Administration	3.5		3.4	
Work Activity Projects	0.2			0.2
Regional Services		4.6		5.8
Childrens Institutions ²	1.6 ³		3	
Grants, Day Care Centres ⁴	0.1		0.1	
Grants, Special Care Homes	2.9	*	4.0	
Grants, Welfare Organizations				0.1
Grants, Community Services		0.1		0.3
Coordination of Rehabilitation ⁵	0.5		0.5	
Saskatchewan Training Schools	2.4		7.4	
Miscellaneous, Expenditures Recovered	(0.1)			
Sub Total	60.4	6.5	68.5	9.6
Other Departments				
Municipal Affairs				
Provincial Employment Grants Program	2.3			0.1
Provincial Local Initiative Program	0.8			2.7
Forgiveness of Loans, Federal-Provincial	1.3			0.2
Forgiveness of Loans, Provincial Employment	0.9			

Table 18- continued

Expenditure Program	1972/73		1973/74	
	Social Welfare	Other	Social Welfare	Other
Other Departments (continued)				
Labour				
Provincial Employment ⁶		2.8		
Youth and Culture			1.0	
Youth Employment Services ⁶			1.9	
Northern Saskatchewan	0.2		3.9	
Social Development	1.0			
Saskatchewan Assistance Plan				
Human Resources Development Agency	0.2			
Area Development		0.1		0.5
Grants to Indian Enterprises		0.5		0.2
Grants to Disadvantaged People				
Grants for Innovative Programs				0.6
Administration, Consultative and Field Services				0.2
Government Services	*			
Capital Expenditure, Social Service	6.7	3.4	6.8	4.5
Sub Total				
Total, Social Service Expenditures, excluding Workmen's Compensation Board	67.1	9.9	75.3	14.1
* Less than \$50,000				

Reference Notes to Table 18

1. Includes \$0.6 million in grants for a special employment support program.
2. The Department of Social Services operates four institutions for children under 16 years of age who are emotionally disturbed, delinquent or in need of care. In addition, the department purchases services from private institutions which provide facilities for emotionally disturbed boys. Two of the departmental institutions, Kilburn Hall and Dale House, are receiving homes; the other two, Roy Wilson Centre and Saskatchewan Boys School, are treatment centres. Only Saskatchewan Boys School is classified a "Correctional Service". The other three department institutions are a "Social Service".
3. Apparently, the expenditures on Kilburn Hall, Dale House and Roy Wilson Centre, with expenditures of \$0.8 million in 1972/73 and \$0.9 million in 1973/74, have been counted twice in 1972/73 and not at all in 1973/74.
4. Expenditures on special care homes include maintenance and construction grants. In 1973/74 this also included residents' allowances which in 1972/73 were either not provided or included in the maintenance grants to special care homes.

Note also that Geriatric Centres and the special care home, Riverside Home, North Battleford, are provincial hospitals and

are classified as "Health" expenditure by the Tri-Level Task Force.

5. Saskatchewan Training Schools located in Moose Jaw and Prince Albert, are schools for mentally retarded.
6. The provincial employment program of the Department of Labour was discontinued in 1973/74. However, a similar program was initiated in 1973/74 by the Department of Youth and Culture, Youth Employment Support Program, and the Department of Social Services, Employment Support Program.

Table 19

Saskatchewan Social Service Expenditures, 1972/73 and 1973/74
Disaggregation to Saskatoon
(millions of dollars)

Expenditure Program	1972/73			1973/74			Reference Notes
	Provincial Government	District of Saskatoon	Allocated to City of Saskatoon	Provincial Government	District of Saskatoon	Allocated to City of Saskatoon	
A. <u>Summary</u>							
Public Assistance							
Institutions and Services	53.4	11.9	9.5	60.0	13.1	10.4	
Special Employment	7.0		1.2	13.5		1.2	
Tax Credits and Rebates	8.1		0.9	4.6		0.6	
Administration and Other	18.7	1.3	2.3	30.2	1.6	3.8	
	7.7		1.1	12.1		1.3	
Total, Social Service Expenditures, excluding Workmen's Compensation Board	94.9	13.2	15.0	120.4	14.7	17.3	1
B. <u>Details</u>							
Public Assistance							
Saskatchewan Assistance Plan							
Department of Social Services	49.3	11.5	9.2	53.1	12.6	10.0	2
Department of Northern Saskatchewan	1.0			3.9			
Childcare Allowances	3.1	0.4	0.3	3.0	0.5	0.4	3
Sub Total	53.4	11.9	9.5	60.0	13.1	10.4	

Table 19 - continued

Expenditure Program	1972/73			1973/74			Reference Notes
	Provincial Government	Allocated to District of Saskatoon	Allocated to City of Saskatoon	Provincial Government	Allocated to District of Saskatoon	Allocated to City of Saskatoon	
<u>Administration and Miscellaneous</u>							
Administration							
Departmental							
Regional Services	1.8	0.4	0.3	2.6	0.5	0.4	15
Child Welfare	4.6	0.9	0.7	5.8	1.1	0.9	16
	0.4		0.1	0.3		*	17
Miscellaneous							
Human Resources Development Agency	0.8		*	1.3		*	18
Northern Saskatchewan, Social Development	0.2			1.9			
Government Services, Social	*		*	0.2			19
Service Capital Expenditures							
Department of Social Services, Expenditures Recovered	(0.1)		n.a.				20
Sub Total	7.7	1.3	1.1	12.1	1.6	1.3	
Total, Social Service Expenditures, excluding Workmen's Compensation Board	94.9	13.2	15.0	120.4	14.7	17.3	21

* Less than \$50,000

n.a. Not Allocated

Reference Notes to Table 19

1. Differs from totals given in Table 17 Government Departments. Corrections have been made for a double counting of childrens' institutions in 1972/73 and by not including them in 1973/74. (also see Table 18 Reference Note 3).
2. Includes Saskatchewan Assistance Plan (SAP) benefits, supplemental allowances, and blind and disabled persons allowances.

Disaggregation of SAP benefits to the District of Saskatchewan was based on accurate information from the Department of Social Services Quarterly Statistical Review, Fourth Quarter, 1972/73 and 1973/74. Allocation of District expenditures was based on information provided by the Department of Social Services. Approximately 80% of SAP payments in the District of Saskatoon was for recipients in cities, i.e. City of Saskatoon (source - Department of Social Services' print-out for Saskatchewan Assistance Plan, Saskatoon Region, March 1973 and 1974).

Supplemental allowances and blind and disabled persons allowances could not be similarly disaggregated. However, the amounts involved are relatively minor (approximately \$150,000) and the City of Saskatoon's share of these expenditures is estimated at less than \$50,000.

3. Allocation to District of Saskatoon was based on Quarterly Statistical Review and 80% of District expenditures was allocated. to the City of Saskatoon.

Note also that administration and other child care expenditures are allocated under "administration".

4. Work activity projects are in Keewatin, Prince Albert, Regina and Yorkton, but not in Saskatoon. Source, Public Accounts 1972/73 and 1973/74.
5. One of the childrens' institutions, Kilburn Hall, is located in Saskatoon. On the assumption that this institution serves primarily the Saskatoon urban area, its total cost was allocated to the City of Saskatoon.
6. Provincial government expenditures on special care homes were allocated to the City of Saskatoon on the basis of information provided in 1972/73 and 1973/74 Public Accounts and the Annual Reports for the same years of the Department of Social Services.
7. Only two schools are involved (see Table 18 Reference Note 5) neither of which is located in Saskatoon. However, these schools serve the entire province and on this basis, only part of the cost of providing this service could be allocated to the City of Saskatoon. Such an allocation might be possible on the basis of geographic distribution of client population. Since this information was not readily available, these expenditures were not allocated. On a per capita basis the amount allocated to Saskatoon would be \$0.3 million for 1972/73 and \$0.9 million for 1973/74.

8. Included are cost of administration, grants to sheltered workshops and grants to various organizations such as the Canadian National Institute for the Blind, Saskatchewan Council for Crippled Children, etc.

All but one of the sheltered workshops (with expenditures of \$15,000) were identified as not being in Saskatoon. Grant receiving organizations were of a general nature with some benefits accruing to Saskatoon. However, the amounts involved were such that Saskatoon's share of these benefits was not expected to exceed \$50,000.

Included are grants to day care centres for children, welfare organizations, and community services to the aged. On the basis of Public Accounts and Annual Report information the amount allocated to Saskatoon is less than \$50,000 in 1972/73 and approximately \$85,000 in 1973/74.

10. Special employment programs under the responsibility of the Department of Municipal Affairs include:
- provincial employment grants program, to cities, towns, villages, etc. receiving loans under the federal-provincial employment loans program or the provincial employment loans program and qualifying for the forgiveness feature under these programs.
 - provincial local initiatives program to provide grants to cities, towns, villages, etc. for the purpose of

fostering winter employment, but which were not eligible for assistance from the Canada Department of Manpower and Immigration under the local initiatives program.

- forgiveness of loans made under the federal provincial employment loans program.
- forgiveness of loans made under the provincial employment loans program.

The expenditure made under these programs were allocated to the City of Saskatoon on the basis of Public Accounts data, supplemented with information provided by the Department of Municipal Affairs.

11. Allocated to the City of Saskatoon on the basis of information provided by the Department of Labour, involving a special search of 1972/73 data files (see letter Mr. F. Norton, Accountant, dated October 16, 1975).

The Department of Labour special employment program was discontinued in 1973/74, but similar employment programs were initiated in 1973/74 by the Department of Youth and Culture and the Department of Social Services.

12. The expenditures involved were grants made under the Youth Employment Support program. Disaggregation to the City of Saskatoon was based on information provided by the Department of

Culture and Youth.

13. Expenditures concerned were grants under the Department of Social Services Employment Support program, reported in Public Accounts under Department Administration, grants and contributions; allocated to Saskatoon based on information in Public Accounts.
14. The expenditures classified as tax credits and rebates refer to the property improvement grants program administered by the Department of Municipal Affairs. The amounts allocated to the City of Saskatoon are based on information provided by the Department of Finance.
15. Includes department administration and welfare training programs. Considering the nature of the programs involved, these expenditures could not be allocated on the basis of benefits received.

Department Administration expenditures were allocated first to the District of Saskatoon in ratio of Saskatoon district to total district administration expenditures. City of Saskatoon's share of these expenditures was estimated to be 80%.

On a per capita basis the amount allocated to the City of Saskatoon would be \$0.2 million in 1972/73 and \$0.3 million in 1973/74.

16. The amount allocated to the City of Saskatoon represents 80% of district expenditures as these were reported in the March issues

of the Department of Social Services Quarterly Statistical Review.

17. Includes child welfare administration and the Indian and Metis adoption program. City of Saskatoon's share of these expenditures was estimated at \$0.1 million at most.
18. The main expenditure item is grants to societies promoting the advancement of disadvantaged people. It totalled \$800,000 of which less than \$20,000 went to societies located in, or servicing, the Saskatoon area.

Two other grant programs, grants to Indian enterprises and grants under special agricultural and rural development agreement (ARDA), totalling approximately \$100,000 are incorrectly included as a social service expenditure.

The remaining item, area development (expenditure of \$150,000) was essentially an administration program and considering the distribution of grants made, very little of these expenditures can be allocated to Saskatoon. The total allocated to Saskatoon was indicated to be less than \$50,000.

19. In 1972/73 capital expenditures on "Social Services" were limited to a \$25,000 expenditure on Kilburn Hall, in Saskatoon.

Similarly, for 1973/74 it was established that with the exception of a \$260 expenditure on Kilburn Hall, Saskatoon, all capital expenditures classified as "Social Services" were for facilities

classified by the Tri-Level Task Force as "Health" or "Correctional Services". Accordingly, capital expenditures on these facilities could be similarly classified.

20. Expenditures recovered have not been allocated because several of the recoveries included were for expenditure programs not classified as a "Social Service", but "Health" or "Correctional Services".
21. Provincial government expenditures on Institutions and Services, Special Employment and Tax Credits and Rebates are not first disaggregated to District of Saskatoon but are disaggregated directly to City of Saskatoon. As a consequence, the total for District of Saskatoon is smaller than the total for City of Saskatoon.

Disaggregation of Alberta Social Service Expenditures to the City of Edmonton

Alberta government expenditures classified by the Tri-Level Task Force as "social service" include most of the non-health-related expenditures of the Department of Health and Social Development, plus special employment expenditures administered through the Manpower Department and tax credit programs administered through the Department of Municipal Affairs and the Treasury Department.

Excluding Workers Compensation, approximately two-thirds of the expenditures (72% in 1972/73, 62% in 1973/74) were made by the Department of Health and Social Development and were, with very few exceptions, disaggregated to Edmonton from accounting or relevant internal statistics.

This proved possible because the Department's administration is for some purposes decentralized to district offices of which four coincide fairly well with the City of Edmonton. Even where their expenditure accounts were not disaggregated, such district offices provided caseload data appropriate for estimating expenditure distributions.

Special Employment programs, as well as tax credit and rebates, were much more difficult to disaggregate satisfactorily: in the first case because present records related to commitments rather than to actual expenditure, and in the second case because of time period complications between municipal tax years, periods during which claims

are made and periods during which payments are made. Approximations have been made in these areas and the methods used are described in the Notes following Table 21.

In summary, Alberta social service expenditures were \$178 million in 1972/73 and \$222 million in 1973/74. For both years these amounts included approximately \$55 million of funds transferred by the Federal government for shared-cost programs which are disaggregated as part of the province's social service expenditures. Excluding Workmen's Compensation Board expenditures (\$24.7 million in 1972/73 and \$26.1 million in 1973/74), disaggregation of provincial government social service expenditures (\$153.6 million in 1972/73 and \$196.7 in 1973/74) resulted in the allocation of \$45.0 million in 1972/73 and \$60.7 million in 1973/74 to the City of Edmonton.

Table 20

Alberta Social Service Expenditures, 1972/73 and 1973/74Identification of Expenditures

(millions of dollars)

	1972/73	1973/74
A. <u>Tri-Level Task Force</u>		
Workers Compensation	24.7 ¹	26.1
Social Welfare	117.4	133.5
Tax Credits and Rebates	29.4	58.3
Other Social Services	<u>6.8</u>	<u>4.9</u>
Total, Social Services	<u>178.3</u>	<u>222.8</u>
B. <u>Expenditures Included</u>		
a. <u>Government Departments</u>		
Health and Social Development ²	111.2	121.7
Other Departments ²	<u>42.4</u>	<u>75.0</u>
Sub Total	153.6	196.7
b. <u>Special Agencies</u>		
Workmen's Compensation Board	<u>24.7</u>	<u>26.1</u>
Total, Social Services	<u>178.3</u>	<u>222.8</u>

¹ Includes Senior Citizen Shelter Rebate (\$4.3 million) which in Table 21 has been reclassified "Tax Credits".

² Other departmental expenditures include Manpower and Labour (special employment), Municipal Affairs and Treasury (tax credits and rebates), and some Public Works expenditures.

Table 21

Alberta Social Service Expenditures, 1972/73 and 1973/74

Identification of Expenditures and Disaggregation to Edmonton
(millions of dollars)

Expenditure Program	1972/73		1973/74		Reference Notes
	Alberta	Edmonton	Alberta	Edmonton	
A. <u>Summary</u>					
Public Assistance	76.4	22.6	89.1	31.5	
Institutions and Services	27.9	9.5	29.7	10.5	
Special Employment	10.1	1.8	15.5	2.9	
Tax Credits and Rebates	33.7	9.4	58.3	14.4	
Administration and Other	5.5	1.7	4.1	1.4	
Total, Social Service Expenditures, excluding Workmen's Compensation Board	153.6	45.0	196.7	60.7	
B. <u>Details</u>					
<u>Public Assistance</u>					
Basic	67.9	20.2	76.0	29.3	1
Categoric	2.4	0.6	8.7	0.5	2
Agency Grants	1.1	n.a.	0.1	n.a.	3
Municipal	4.7	1.7	3.9	1.6	4
Improvement Districts	*	-	*	-	5
Administration	0.3	0.1	0.4	0.1	6
Sub Total	76.4	22.6	89.1	31.5	

Table 21 - continued

Expenditure Program	1972/73		1974/75		Reference Notes
	Alberta	Edmonton	Alberta	Edmonton	
<u>Institutions and Services</u>					
Child Welfare	9.3	1.8	12.1	3.1	7
Preventive Social Services	2.9	1.0	3.7	2.5	8
Regional Offices	7.2	2.4	8.7	2.5	9
Metis Rehabilitation	0.9	-	0.8	-	10
Services for Youth	1.6	1.4	-	-	11
Services for Handicapped	0.7	0.1	1.6	0.4	12
Hostels	1.6	0.9	1.7	0.9	13
Institutions and Homes	3.9	1.9	1.2	1.1	14
Sub Total	27.9	9.5	29.7	10.5	
<u>Special Employment</u>					
Funds for Winter Employment	6.3	1.8			15
Provincial Employment Program	3.8		15.5	2.9	15
Manpower Division					
Sub Total	10.1	1.8	15.5	2.9	
<u>Tax Credits</u>					
Senior Citizens Shelter Rebate	4.3	6.6	50.4	11.5	16
Home Owners Tax Discount Rebate	21.9				
Public Utility Tax Rebate	7.5	2.8	7.9	2.9	17
Sub Total	33.7	9.4	58.3	14.4	

Table 21 - continued

Expenditure Program	1972/73		1973/74		Reference Notes
	Alberta	Edmonton	Alberta	Edmonton	
<u>Administration and Other</u>					
Sundry Overhead		0.9	2.9	1.0	18
Public Work Items	3.0	1.2	1.2	0.4	18
Sundry Receipts	<u>3.9</u> (1.4)	<u>(0.4)</u>	<u>-</u>	<u>-</u>	18
Sub Total	<u>5.5</u>	<u>1.7</u>	<u>4.1</u>	<u>1.4</u>	
Total, Social Service Expenditures, excluding Workmen's Compensation Board	<u>153.6</u>	<u>44.0</u>	<u>196.7</u>	<u>60.8</u>	
* Less than \$50,000					
n.a. Not allocated					

Reference Notes to Table 21

1. A portion (about 40%) of this item was allocated directly to Edmonton from the "Special Cost Summaries by Reason for Assistance" on file in the Department of Health and Social Development. This tabulated the total expenditure by district office and a bulk amount administered centrally. For the latter portion, data on relative caseloads in the various district offices were used to pro-rate out the Edmonton amount. Adding these two results produced the figure shown. The procedure was the same in both 1972/73 and 1973/74, except that in the latter year it had to be done several times, since the basic assistance account had been broken out into several accounts by reason for assistance.
2. Complete district office breakdown was available in special cost summaries. However, for the 1972/73 year part of the file was missing, so it was estimated from the four months available. Clearly from the Table there also was some change in definition of these items in 1973/74.
3. It was not possible to obtain the Edmonton proportion of this account.
4. The amount shown is the total of payments to the City of Edmonton as shown on the relevant ledger sheets.

5. These being all remote from Edmonton, the amount was allocated to "rest of province".
6. This amount was pro-rated in accordance with the totals of the previously listed items.
7. Statistics on numbers of children in care in various jurisdictions were used to pro-rate this amount.
8. Special Cost Summaries were available from which the Edmonton parts of this program could be extracted.
9. This item was entirely for the maintenance of certain programs identified in the accounts as being in either Calgary or Edmonton.
10. The Department's Financial officers understood that these amounts were entirely spent in remote communities.
11. Since this consisted of several programs having separate accounts, they were discussed with the central officers concerned with institutional programs. Those serving Edmonton population were identified and for 1972/73 their total is as shown in the Table. For 1973/74 these expenditures were classified as "correctional services".
12. The Administrative Officer, Services for the Handicapped, extracted the expenditure relevant to Edmonton from his detailed accounts.

13. The expenditure on Hostels was allocated to where they are located.
14. These expenditures were allocated to Edmonton from separate accounts by program or institution. The reduction in 1973/74 expenditure is due to a reclassification of expenditure items.
15. While the funds reported come under various votes and special warrants, the programs involved were essentially administered by the Manpower Department. The data identifying various projects was based on project approvals, rather than on money actually claimed or spent. The responsible official provided estimates of the Edmonton proportion of commitments under the Provincial Employment Program and the Summer Temporary Employment Program. In the case of the Edmonton City Administration, available information indicated that the amounts claimed were only about 85% of the amounts committed. This proportion was used to discount the amounts for other employers in Edmonton including provincial government departments.
16. Municipal Affairs officials administered the Senior Citizens Shelter and Home Owners Tax Discount Acts together. Their data related to the municipal tax year which referred to the date of claims rather than to the date when the amounts shown in the Public Accounts were actually paid out. Due to lack of better data, the amounts recorded in relation to home owners

(including home-owning senior citizens) were added to the estimates (based on a manual check) of the number of rental applicants (for a flat \$100 grant). The results related to the municipal tax year and were pro-rated over the amounts shown in the Tables as Alberta's expenditure on these two items.

17. Based on data provided by the Department of Finance it was estimated that 37% of this amount would relate to Edmonton residents.
18. The expenditure included head office support services such as finance, research, etc. and certain Public Works expenditures. The receipts (1972/73 only) were sundry recoveries of welfare payments. Since geographic details were not available for these items these expenditures were pro-rated in accordance with the sum of social assistance and institutions or service items, e.g. 30% in 1972/73 and 35% in 1973/74.

Conclusion

The purpose of this study was to determine whether federal and provincial social service expenditures can be disaggregated to selected urban areas. Having completed this study the following conclusions emerge.

First. It has been possible to disaggregate provincial social service expenditures reasonably accurately. Generally, the necessary source data were available but required special assistance from provincial government officials for their interpretation.

Second. Federal social service expenditures have been disaggregated to the selected cities, but for some major social service programs approximation methods had to be used. However, in the future methods based on postal geo-coding should assist in producing accurate disaggregations to the local level.

Third. Due to the nature of the expenditure category studied, this study has not attempted to resolve general conceptual problems arising out of a disaggregation of all federal and provincial expenditures to sub-provincial units. In itself, a disaggregation of social service expenditures does not raise serious conceptual problems. But, as a consequence, this study's conceptual approach is of limited value when considering a disaggregation of other expenditure categories, e.g. health, education, protection of persons and property, etc.

